

EXHIBIT 1

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2 DEIRDRE LEANE and : AMERICAN ARBITRATION
3 IPNAV, LLC, : ASSOCIATION
4 Plaintiff :
5 v. : CASE NO. 01-20-0015-0793
6 UNIFIEDONLINE, INC. and :
7 CHANBOND, LLC, :
8 Defendants :
9 -----

9 VIDEOTAPE DEPOSITION OF EARL

10 HENNENHOEFER taken via Zoom Conference on Monday,
11 September 20, 2021, commencing at 9:57 a.m. before
12 Coleen Trifun, RPR and Notary Public.

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ALSO PRESENT:
KEN AMRHEIN, VIDEOGRAPHER

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1 DIRECTION TO WITNESS NOT TO ANSWER

2 PAGE LINE PAGE LINE PAGE LINE

3 (None)

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10 REQUEST FOR PRODUCTION OF DOCUMENTS

11 PAGE LINE PAGE LINE PAGE LINE

12 (None)

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1 THE COURT REPORTER: Will you need
2 a copy of the transcript?

3 MR. COHEN: Yes.

4 MR. DEANGELO: Yes.

5 - - -

6 VIDEOGRAPHER: We are now on the
7 record. Today's date is September 20, 2021. The
8 time is 9:57 a.m. Eastern. This is the recorded
9 video deposition of Earl Hennenhoefer in the
10 matter of Deirdre Leane and IPNav, LLC versus
11 UnifiedOnline, Inc. and ChanBond, LLC, before the
12 American Arbitration Association, Case No.
13 01-20-0015-0793.

14 My name is Ken Amrhein from Everest
15 Court Reporting. I'm the video specialist. The
16 court reporter today is Coleen Trifun, also from
17 Everest Court Reporting.

18 All counsel appearing today will be
19 noted on the stenographic record.

20 Will the court reporter please
21 swear in the witness.

22 Do you swear or affirm that the
23 evidence you're about to give will be the truth,
24 the whole truth, and nothing but the truth so help

1 you God?

2 THE WITNESS: I do.

3 - - -

4 EARL HENNENHOEFER, having been first
5 duly sworn, was examined and testified as follows:

6 - - -

7 Examination

8 - - -

9 BY MR. COX:

10 Q. Good morning. Could you please state --

11 A. Good morning.

12 Q. Could you please state your full name
13 for the record?

14 A. Yeah. My name is Earl Hennenhoefer.

15 Q. Have you given a deposition before?

16 A. Yes.

17 Q. Okay.

18 So just a few quick ground rules. If
19 you have any trouble understanding my question,
20 can you please just agree to ask me to either
21 rephrase it or clarify?

22 A. Yes. I'll ask you that.

23 Q. And another part that's important for
24 our court reporter is that you have to give a

1 verbal answer. So it can't be a nodding of the
2 head or shaking of the head or a uh-huh or an
3 uh-uh. Does that make sense?

4 A. Yes, it does.

5 Q. All right.

6 I want to start off with just a brief
7 background on your education and work experience.
8 Do you have any college degrees?

9 A. Yes. After my tour in the navy, I went
10 to Weston University in St. Louis, got an
11 engineering degree, electrical engineering degree
12 and a master's in business administration.
13 Graduated in 1969.

14 Q. Any other form of -- of higher education
15 or certifications?

16 A. No. Went to a lot of different courses,
17 but nothing really that was any significant
18 certifications.

19 Q. And are you currently retired?

20 A. Yes.

21 Q. Prior to retirement, what was your
22 profession or career?

23 A. I was CEO and president of a company
24 called Z-band, Incorporated and CBV, Incorporated.

1 Q. And what did you do as CEO of those two
2 companies?

3 A. CV -- I mean Z-Band was an operating
4 company. We sold product and my responsibility
5 was a leadership of the company, plus I had --
6 because it was a small company, I did things like
7 production control, assisted with the technical
8 side of the house, and actually did sales calls.

9 As CEO of CBV, that was a patent-holding
10 company, but not really an operation company. And
11 so my main purpose there was trying to modernize
12 the patents that we had in the -- in the holding
13 company.

14 Q. When was Z-Band created?

15 A. Z-Band was formed in October of 1999.

16 Q. And what about CBV?

17 A. I am not actually sure about that. It
18 was formed around -- I think around 2008. We took
19 the patents -- the patents were written in Z-Band
20 in 2000. We applied for a patent in
21 December 2000. And then we decided to move
22 outside of the operating company in to just a
23 patent-holding company. The reason for that is we
24 were trying to sell Z-Band and most the people

1 that are buying the company or thinking about 2 buying Z-Band, had no interest in patents that 3 would deal with the cable industry, so we 4 separated the two.	Page 10	1 A. Yes. Robert Stine, which was our chief 2 engineer and did most of the work. Stine is 3 S-T-I-N-E. And the other one is Robert Snider, 4 call him Dick Snider, Richard Snider.	Page 12
5 Q. Did you have prior experience in the 6 cable industry before forming Z-Band?	5 Q. So his name is Richard Snider?		
7 A. I worked for a company -- I worked GE 8 Star and eventually ended up in a company called 9 Amp, Incorporated, in 1973 as an engineer. 10 Advanced up in the company and became the division 11 manager/director of worldwide procurement. And 12 then finally a vice president and general manager 13 and group director of numerous product lines.	6 A. Yeah. Richard Snider. Everybody calls 7 him Dick.		
14 And then I went to a French company and 15 had responsibility for all the United States and 16 part of the far east. And the French company was 17 an Internet connection company also.	8 Q. Are the ChanBond patents the only 9 patents that you're a named inventor on?		
18 Q. What was the name of that French 19 company?	10 A. I don't understand that question.		
20 A. It was named Framatome. We called it 21 FCI, Framatome Connectors Interconnects.	11 Sorry.		
22 But Framatome was the provider of 23 nuclear power equipment for all of France, most of 24 Europe. And they decided to diversify and get	12 Q. Are the ChanBond patents -- are you a 13 named inventor on any other patents?		
1 into something else, so they bought a U.S. 2 connector company and they needed somebody to turn 3 it around and I applied and got the job.	14 A. I'm on one other patent. It has nothing 15 to do with ChanBond. I was named the patent 16 holder --		
4 Q. What -- what year did you retire?	17 Q. So I take it you did not attempt to 18 monetize that patent; is that correct?		
5 A. We sold the company, Z-Band in 2018, but 6 then we stayed active in the patent situation 7 until that was finally settled this year.	19 A. Are you talking about the one on AMP?		
8 Q. So then did you retire this year?	20 Q. Correct.		
9 A. Well, I -- my wife and I considered 10 retiring it in 2018 because we didn't get paid for 11 anything after that.	21 A. AMP owned all the patents, so they also 22 had -- they put all the patents in a company 23 called Whittaker and that's who actually owned the 24 patents. So if you were named on the patent, you		
12 Q. Fair enough.	Page 11		
13 You mentioned that you applied for the 14 patents, we'll call them the -- the ChanBond 15 patents, if that's all right, in 2000; is that 16 right?	1 did't own the patent, it was just a --		
17 A. Yeah. We applied -- actually the 18 application went in to -- for approval in December 19 of 2000.	2 Q. I want to get into the background of -- 3 of how CBV connected with -- with Billy Carter and 4 IP Navigation Group.		
20 Q. Is that the -- strike that.	5 MR. DEANGELO: Objection to form.		
21 Are -- as I understand it, you're one of 22 named inventors on those patents; is that correct?	6 THE WITNESS: We were talking to 7 our patent attorneys, we have two of them, trying 8 to find a way to monetize the patents. Bob Stine, 9 who was our engineer, was doing all the traveling.		
23 A. That's correct. There was three of us.	10 One of his trips, I handed him --		
24 Q. Could you name the other two?	11 looked through a magazine in the back of the seat 12 of the airplane and there was advertising for --		
	13 what's it called? IPNav, which turns out to be IP 14 Navigation. And they claim that they could 15 monetize a patent for small companies that were 16 trying to claim patents against larger companies.		
	17 So we thought -- thought that it 18 sounded like a good idea and I contacted IP 19 Navigation, in particular I contacted Deirdre 20 Leane and she set up a meeting down in Dallas,		
	21 Texas, a dinner meeting. And so we flew down to 22 Dallas and that's where I met Erich Spangenberg, 23 Deirdre, and Billy Carter.		

Page 14

1 BY MR. COX:

2 Q. And I want to for -- for clarification,
 3 there's two different entities that I want to make
 4 sure are clear. One is IP Navigation Group, LLC,
 5 and the other is IPNav, LLC. Are you aware of
 6 difference between the two?

7 A. At the time, IPNav -- IP Navigation was
 8 called IPNav for short. It took us a while to
 9 realize it's IP Navigation that we were dealing
 10 with. And then later when Deirdre contacted us
 11 on -- for her to own the patents, yeah, she called
 12 her company IPNav and it was our attorney that
 13 pointed out they were two separate companies.

14 Q. Okay.

15 So you're aware that there is a
 16 distinction between IP Navigation Group, LLC and
 17 IPNav, LLC?

18 A. Yes, I am.

19 Q. And do you know -- and let's go at
 20 the -- at the time you -- you found IP Navigation
 21 Group, do you know who owned or managed IP
 22 Navigation Group?

23 MR. COHEN: Objection to form.

24 THE WITNESS: Can I answer that?

Page 15

1 MR. DEANGELO: Yes.

2 THE WITNESS: Okay. We were told
 3 that Erich Spangenberg owned IP Navigation. At
 4 the dinner there was three of us, there was Erich,
 5 myself, and Bob Stine. Only the three of us. He
 6 also told us that he owned IP Navigation.

7 BY MR. COX:

8 Q. And do you know --

9 A. Owns it.

10 Q. Sorry.

11 And do know who owns IPNav, LLC?

12 A. Yes. We found out that supposedly
 13 Deirdre owns IPNav.

14 Q. When did you start negotiations for the
 15 sale of CBV?

16 MR. COHEN: Objection to form.

17 And, Mr. Hennenhoefer, I'm
 18 objecting for issues of the record. You can go
 19 ahead and answer the questions even after I
 20 object, unless your attorney directs you not to.
 21 Okay?

22 THE WITNESS: Okay.

23 We had a dinner meeting and the
 24 three of us, three being Harry, Bob Stine, myself.

Page 16

1 The concept that Erich put forward was that we
 2 would bring the patents to the deal. He would
 3 bring the money. We would split the cost of all
 4 the legal stuff and he went through ad-nausea what
 5 that's about. And then we divided the money
 6 that's left over. If we wanted, which we did,
 7 some money up front that was not considered that
 8 he was buying the patents, it was considered that
 9 it was an advancement and we would have to pay
 10 that back double what he puts up front. So we
 11 actually were giving the patents to the deal, not
 12 selling them.

13 BY MR. COX:

14 Q. Can you tell me what you were meaning by
 15 you were giving the patents, not selling them?

16 A. Yes. The up-front money that they were
 17 going to provide was an advancement on the
 18 settlement that we were going to get. So we
 19 actually are putting the patents into the deal,
 20 not -- not actually selling them.

21 Now, what it said under the contract,
 22 I'm not sure exact terminology, but it's more or
 23 less we're not getting money for the patents, we
 24 were getting an advancement against money that's

Page 17

1 going to get later on. And this was different
 2 than anyone else we talked about, which caused us
 3 a real hiccup. All the other people we kept
 4 ownership of the patents and did not give up
 5 ownership, which we had to do in order to get
 6 Erich to sign, that was his condition.

7 His condition was that since you have
 8 three partners and since I am going to be talking
 9 to the cable industry, which our guys don't
 10 negotiate with, I can't have one of the partners
 11 decide whatever I negotiate is not good enough.
 12 We need to have a unified front. The only way we
 13 can have a unified front was for me to -- me,
 14 being Erich, go in the patents. So it was a take
 15 it or leave it deal.

16 Q. When was that dinner meeting?

17 A. My recollection was in December of 2013.

18 Q. And who was supposed to take over
 19 ownership of the patents in the original deal that
 20 was drafted?

21 MR. COHEN: Objection to form.

22 MR. DEANGELO: Could you rephrase
 23 that question? Because I think that's -- I have
 24 a -- I have a form issue with that. I don't know

1 that there was -- I don't think there was an 2 init -- an initial deal signed up.	Page 18	1 A. It was shortly after a trip out there to 2 Kansas City. The judge decided he -- his case did 3 not have standing, so he didn't get any money from 4 the case. He thought he was going to get quite a 5 bit of money, so that fell apart. But Billy 6 followed up with another phone call and he was 7 going to offer money, not very much, and the rest 8 of the money would be paid out of Z-Band as -- as 9 time goes on. And what I did is invite him to 10 come to Z-Band and talk to all the partners. So 11 he flew out, flew into Harrisburg, which is not an 12 easy place to get to and spent the whole day 13 talking about that.	Page 20
3 MR. COX: Sure. You mean -- are 4 you referring to the business meeting or the 5 dinner meeting?		14 And what we decided was, let's walk 15 before we run and let's do the PPA, the patent 16 purchase agreement first, and then we'll decide 17 whether or not we're going to sell the Z-band as 18 part to UIP. Everybody kind of agreed to that and 19 we had our first patent purchase agreement signed 20 in May of 2014.	
6 MR. DEANGELO: Yes. 7 MR. COX: Yeah. Sorry. I'll 8 clarify it.		21 Q. You mentioned first patent purchase 22 agreement. How many total were there?	
9 BY MR. COX: 10 Q. Once -- once a deal eventually was 11 struck and contracts were signed, who was supposed 12 to be the original owner of the patents?		23 MR. COHEN: Objection to form.	
13 A. Well, what we did, Erich explained that 14 he would form a holding company and the patents 15 would go into that and then IP Navigation would 16 own -- own the holding comp -- company. So when 17 we left the meeting, a month after or so forth, 18 Billy Carter contacted us and said that he was 19 interested in us going out to Kansas City, meeting 20 his company, and he had an opportunity that he 21 thought would be great for Z-Band Incorporated.		24 THE WITNESS: Ended up being three.	
22 So we went out there and his deal was he 23 wanted to buy Z-Band and the CBV patents at one 24 time And he was working on a patent deal that was			
1 in court, pertaining to IP clouding and he thought 2 he was going to get a lot of money from that. So 3 the deal was he was going to offer some up-front 4 money and some stock and, you know, IP and he 5 would put this in a company called VDV. That was 6 a phrase that we developed, actually, Bob, I mean 7 Dick Snider did, that stood for Video, Data, and 8 Voice -- Voice, Data, and Video. And that was the 9 company that he was going to put the patents into.	Page 19	1 BY MR. COX: 2 Q. And am I correct in -- in stating that 3 the final version of the PPA, that -- that 4 definitely sold the patents to ChanBond was in 5 April of 2015; is that correct?	Page 21
10 That deal never came about because the 11 patent lawsuit he had with IP clouding fell apart.		6 MR. COHEN: Objection form. 7 THE WITNESS: Yes, that's correct.	
12 Q. Okay. Couple quick follow-up questions.		8 BY MR. COX:	
13 Do you recall when that -- that meeting 14 at Kansas City was?		9 Q. Do you recall when the second PPA was?	
15 A. No, I don't.		10 MR. COHEN: Objection to form.	
16 Q. Do you have a -- an approximate year?		11 THE WITNESS: I believe that was in 12 August of 2015 -- 2014.	
17 Was it -- was it still in 2013 or was it --		13 BY MR. COX:	
18 A. No. It was -- it was in the early part 19 of 2014. It was decent enough whether that we 20 flew out there, we wore our sport coats, and it 21 was comfortable.		14 Q. Can you tell me more about the -- the 15 second PPA from August 2014? For instance, who is 16 to take ownership of the patents under that PPA?	
22 Q. And you mentioned that the -- the deal 23 fell through at some point. Do you recall when 24 that was?		17 A. Yeah. The first PPA we would get one 18 point \$1.5 million up front as an advancement. 19 And then during that period of time, shortly after 20 that, congress -- it's 1.5 million -- congress 21 passed what is called the American Invention Act 22 or the ANA Troll Bill, which adversely affect the 23 value of patents for small companies.	
		24 So when Erich came back and said it	

1 doesn't make sense to advance you 1.5 million, I'm
 2 going to cut it in half and that's 75,000. We
 3 weren't too happy about that, but we went along
 4 with it and said okay.

5 Then shortly after that, Erich came back
 6 and said, well, at dinnertime, I mentioned I was
 7 going to enjoy some of the money I made and I'm
 8 going to retire and I decided to do that now
 9 because of the American Invention Act. And so I'm
 10 going to retire and don't take anything wrong
 11 about Billy Carter, he's been my friend. He's
 12 always been my friend, but Deirdre is the
 13 president of my company and I'm going to turn the
 14 opportunities over to Deirdre. And this is one of
 15 them that she's going to follow up on. However,
 16 there's not going to be any money up front because
 17 I'm taking all the money out of the company and
 18 just turning the opportunities over to Deirdre.

19 But the contract was basically saying,
 20 but the one you just signed -- the one she signed
 21 with Billy, but she's going to have her own shell
 22 company. He didn't tell me what the name was.
 23 And Deirdre will be contacting you directly on
 24 that matter. So he just kind of bailed out at

1 that point.

2 Q. So once Erich left, that's when the new
 3 owner of the patents would be through an entity
 4 owned by Deirdre, rather than Billy?

5 A. Well, I guess legally, I guess, from my
 6 point of view, we still owned the patents because
 7 although we signed a deal, neither deal was ever
 8 consummated because Billy never came up with any
 9 money. So when Deirdre contacted me for her to
 10 come up with a contract, I told her I was not
 11 interested because, as I put it around, this
 12 thing's been taking nine months and we haven't
 13 gotten anywhere.

14 In all fairness for the record, I was
 15 talking to another party through Barnes and
 16 Thompson Burke and they were interested in working
 17 up some kind of deal. So I moved down to Philly
 18 and talked to them, it was an ex-partner from
 19 Kirkland and Ellis. And I told them that, you
 20 know, we had this thing going with IP Navigation,
 21 IPNav, and I gave them a definitive timeline to
 22 come back with a proposal.

23 So when I got back to work, I took a
 24 couple days off because I was trying to build a

Page 22

1 house and build with speks, but when I came back
 2 to work, Deirdre had called my partners and
 3 convinced them thoroughly that she was the team
 4 that could do -- make this happen. She knew all
 5 about this thing because of Billy. She claimed
 6 she could have the patents filed between six and
 7 eight weeks and she was the best team to do that.

8 I was not as positive as my partners
 9 were, but they put a pretty good pitch on it and
 10 we ended up signing Deirdre in Ap -- April of
 11 2015. For the record, there was no consulting
 12 agreement with Deirdre. There was no consulting
 13 agreement with Billy's PPAs, and there was no
 14 consulting agreement with the contract that we're
 15 trying to work out with Kirkland Ellis,
 16 ex-partner. So this was a carbon copy with a few
 17 changes, the contract that we signed with Billy
 18 Carter a couple times.

19 Q. When you mentioned there was no
 20 consulting agreement, the -- I think you're
 21 referring to a part that is usually referred to as
 22 an advisory services agreement; is that what you
 23 are referring to?

24 A. Yes.

Page 23

1 Q. Do you recall when the switch was made
 2 to -- to go with Deirdre as the new either owner
 3 or manager of -- of the patents?

4 A. Well, the contract was actually signed
 5 in April of 2015. Is that what you're asking?

6 Q. Yes. And when was the decision made to
 7 switch from Billy to Deirdre?

8 A. That was in the fall of 2014. It was
 9 after August when we agreed to the PPA with Billy,
 10 but then there was a -- she contacted us in the
 11 fall. Nothing was done because I basically was
 12 not too happy with the situation. So we went back
 13 and renegotiated, thought to renegotiate it in
 14 early 2015 with Deirdre.

15 MR. COX: Let's pull up the PPA.

16 Ken, can you bring up Tab 1,
 17 please.

18 - - -

19 (Tab 1 marked as Exhibit-1 for
 20 identification.)

21 - - -

22 BY MR. COX:

23 Q. Mr. -- am I saying it right, is it Mr.
 24 Hennenhoefer?

Page 24

<p>1 Let's turn to Page 2.</p> <p>2 MR. COX: Actually, ken, can you</p> <p>3 just give me control? It might be a little bit</p> <p>4 easier. Thank you.</p> <p>5 BY MR. COX:</p> <p>6 Q. I'm going to read Section 2.8 here</p> <p>7 called Net Recoveries. Before I read that, are</p> <p>8 you familiar with the net recoveries provision in</p> <p>9 the PPA?</p> <p>10 A. Yeah. Yes, I'm very familiar with that.</p> <p>11 That was a provision that we negotiated, we being</p> <p>12 my attorney from McNees and myself and Erich</p> <p>13 Spangenberg, we negotiated this thing back and</p> <p>14 forth a number of times.</p> <p>15 Q. So let me read just this -- this first</p> <p>16 part here. So Net Recoveries shall mean the total</p> <p>17 aggregate gross recoveries less the total</p> <p>18 aggregate amount of costs and expenses incurred by</p> <p>19 or on behalf of purchaser in connection with</p> <p>20 monetization, enforcement, and/or sale of the</p> <p>21 assigned patent rights. And then it lists a</p> <p>22 number of -- of allowable expenses there. Is that</p> <p>23 your understanding?</p> <p>24 A. Basically, yes. Condition to the</p>	Page 26	<p>1 walk before we run. Let's get this thing</p> <p>2 resolved. So we didn't really want any more</p> <p>3 expenses than what is defined in 2.8. And let's</p> <p>4 get this thing started. It was taking too long to</p> <p>5 get it going.</p> <p>6 Q. So is this a significant issue in the</p> <p>7 years of negotiation leading up to the execution</p> <p>8 of the PPA?</p> <p>9 MR. COHEN: Objection to form.</p> <p>10 MR. COX: I will just start over</p> <p>11 from the beginning.</p> <p>12 BY MR. COX:</p> <p>13 Q. Was this a significant issue in the</p> <p>14 years of negotiations leading up to the execution</p> <p>15 of the PPA?</p> <p>16 MR. COHEN: Objection to form.</p> <p>17 THE WITNESS: Yes, it was. It was</p> <p>18 a matter that my attorney, Michael Hund and I was</p> <p>19 involved with. Mike actually got into discussions</p> <p>20 with Erich Spangleberg on this issue, so it was</p> <p>21 significant, yes.</p> <p>22 MR. COX: Ken, can you please pull</p> <p>23 up Tab 5.</p> <p>24 - - -</p>	Page 28
<p>1 reasonable fees and expenses of all legal costs,</p> <p>2 yeah.</p> <p>3 Q. And then this last sentence here, let me</p> <p>4 see if I can highlight it. The last sentence</p> <p>5 states: Notwithstanding the above, any cost or</p> <p>6 expense which is paid to an affiliate of purchaser</p> <p>7 or to a stakeholder of purchaser shall require the</p> <p>8 prior approval of seller. Such approval cannot be</p> <p>9 unreasonably withheld.</p> <p>10 Did I read that correctly?</p> <p>11 A. Yes, you did.</p> <p>12 My concern was we have a contract which</p> <p>13 depends on what the profit is after all expenses.</p> <p>14 And I didn't want any additional expenses</p> <p>15 including. And Erich agreed, he said, you know,</p> <p>16 we define the expenses and they can't have</p> <p>17 anything of this size, so this all came out with</p> <p>18 no other expenses added on. He wanted to add</p> <p>19 another patent to this thing and -- and combine</p> <p>20 our patents with some other patent and -- which is</p> <p>21 part of the reason this came up.</p> <p>22 And he owned the other patent and I</p> <p>23 didn't want to get involved in anything else.</p> <p>24 It's kind of like going back to the Billy, let's</p>	Page 27	<p>1 (Tab 5 marked as Exhibit-2 for</p> <p>2 identification.)</p> <p>3 - - -</p> <p>4 MR. COX: And we're going to start</p> <p>5 at the bottom here. And for the record, this is</p> <p>6 Bates stamped CB003358 through -- the last page is</p> <p>7 CB003361.</p> <p>8 BY MR. COX:</p> <p>9 Q. All right.</p> <p>10 If you look here at the bottom of that</p> <p>11 first page it appears to be an e-mail from Michael</p> <p>12 Hund to a number of parties, including Erich</p> <p>13 Spangenberg and some of the IP navigation</p> <p>14 attorneys. Do you see that?</p> <p>15 A. Is there any way we can make that</p> <p>16 bigger?</p> <p>17 MR. COHEN: Objection to form.</p> <p>18 THE WITNESS: I am trying to, you</p> <p>19 know, look across the room. Yeah. Okay.</p> <p>20 BY MR. COX:</p> <p>21 Q. We'll go through the e-mail. But did</p> <p>22 you want me to repeat my question?</p> <p>23 A. Yeah. That's from Michael Hund, that's</p> <p>24 the -- that was our attorney.</p>	Page 29

1 Q. And could you read the date for me,
2 please?
3 A. That was from February of 2014.
4 Q. We're going to scroll down.
5 A. I want to point out that you can see
6 where the confusion came. Erich and some of the
7 other people, their e-mail address is IPNav, so
8 that's where the confusion comes as IPNav and IP
9 Navigation.
10 Q. I'm with you there.
11 Let's -- let's go to this last paragraph
12 here from that February e-mail. It states:
13 Finally as compared to the old agreement where the
14 seller had a significant role in selecting and
15 approving the expenditures that go into costs that
16 end up driving the, quote, net recoveries, end
17 quote, this agreement seems to exclude the seller
18 from that process all together. Frankly, I'm not
19 sure how this should best be resolved, but I would
20 suspect we would need to have a much clearer
21 understanding of what does and what does not
22 qualify as a deductible expense.
23 Did I read that correctly?
24 A. Yes.

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1 Q. Could you tell me what -- what this last
2 paragraph here is -- is talking about?
3 A. Well, I think what the big issue was, we
4 didn't want anything coming into the expenses that
5 we didn't think should be in there. So we wanted
6 the best definition we could find and we finally
7 ended up agreeing to that 2.8, which wasn't
8 totally satisfactory to us, but it was a
9 reasonable compromise. Probably as definitive as
10 you can get about net recoveries.
11 Q. And in that first sentence it mentions
12 that the seller originally had a -- a significant
13 role in selecting and approving expenditures
14 within the agreement that the parties are
15 currently talking about, that was removed; is that
16 correct?
17 MR. COHEN: Objection to form.
18 THE WITNESS: Yeah. We went
19 through a number of agreements and I could not
20 exactly tell you what was in the old agreement.
21 But obviously Mr. Hund pointed out there was a big
22 change --
23 Q. What --
24 A. -- called some concern.

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1 BY MR. COX:
2 Q. Was approval of expenses that would --
3 would impact net recoveries a critical factor
4 in -- in whether or not you would agree to sell or
5 give away these patents?
6 MR. COHEN: Objection, form.
7 [REDACTED]
8 [REDACTED]
9 [REDACTED]
10 MR. COX: Ken, if you could please
11 pull up Tab 3.
12 - - -
13 (Tab 3 marked as Exhibit-3 for
14 identification.)
15 - - -
16 VIDEOGRAPHER: You have control.
17 MR. COX: To make it bigger.
18 BY MR. COX:
19 Q. Okay. So let's see here. If we go to
20 the bottom of --
21 MR. COX: And this is Exhibit-3,
22 right?
23 VIDEOGRAPHER: Correct.
24

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1 MR. COX: All right. For the
2 record, this is Bates stamped -- this document is
3 Bates stamped IPN0044240 through IPN0044245.
4 BY MR. COX:
5 Q. If we go to the bottom of this first
6 page here, do you see an e-mail from Margo Alpert?
7 Did you hear my question, Mr.
8 Hennenhoefer?
9 A. Yeah. I see it, yeah.
10 Q. All right.
11 And what is the date of that e-mail?
12 A. That's all the way back to August 2014.
13 Q. Just a little bit smaller. Can you
14 still read that?
15 MR. COHEN: Hold on. Nathan, we
16 may have an issue here. And these are documents
17 that are internal e-mails between IP Navigation
18 Group and their counsel. I -- I certainly don't
19 have standing to raise any privilege objection on
20 the basis of it, but do you have permission from
21 IP Navigation Group to show privedledged e-mails to
22 Mr. Hennenhoefer?
23 MR. COX: You mean these e-mails
24 that you produced to us?

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1 MR. COHEN: Yeah.
 2 MR. COX: And we're not logged on
 3 any privilege log?
 4 MR. COHEN: Yeah. Again, you know,
 5 Billy Carter was internal to IP Navigation.
 6 MR. COX: And the e-mails include
 7 Billy Carter you produced them to us.
 8 MR. COHEN: That's -- that's fine.
 9 As long as -- if that's the position you're
 10 taking, that's fine. I just would have some
 11 concern showing them externally. But that's okay.
 12 MR. COX: All right.
 13 BY MR. COX:
 14 Q. So if we will go to this bottom part of
 15 Page 1 and we'll just kind of start from the top.
 16 So I think you -- you recognize this is an e-mail
 17 from Margo Alpert on August 2014, right?
 18 Did you hear my question?
 19 A. Yeah.
 20 Q. Sorry.
 21 A. It finally came -- came across. It
 22 takes a while to print all this.
 23 Yes. I -- I agree to this from Margo in
 24 2014, August 2014.

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1 Q. All right.
 2 And let me -- so right here, it's -- do
 3 you know who Margo Alpert is?
 4 A. If I have met her, I did not know who
 5 she is. I can make some assumptions, but I don't
 6 know.
 7 Q. Okay.
 8 So I can just represent to you she was
 9 the attorney negotiating with your attorney,
 10 Michael Hund.
 11 In this e-mail, it's from Margo to
 12 Lilian, Erich Spangenberg, and Deirdre Leane. And
 13 at the top it says, Hi, Erich and Deirdre. And
 14 then if you skip down two lines, that third line
 15 says: Given the court's general misunderstanding
 16 of several of these provisions in clouding, I
 17 consider changing the PPA as follows.
 18 A. Yes, I see that.
 19 Q. All right.
 20 So that first bullet point says -- has a
 21 recommendation to, quote, delete the last two
 22 sentences in this definition of, quote, net
 23 recoveries, end quote, in Section 2.8. And then
 24 in brackets states, removing any consent

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1 requirements on part of seller.
 2 Do you see that?
 3 A. Yes, I see that.
 4 Q. And then it has the net recoveries
 5 provision from the PPA, but the last sentence is
 6 crossed out; is that right?
 7 MR. COHEN: Objection, form.
 8 THE WITNESS: I see it crossed out.
 9 BY MR. COX:
 10 Q. Now, if we go up to the next e-mail from
 11 the same day as an e-mail from Erich Spangenberg;
 12 do you see that?
 13 A. Yeah.
 14 Q. And in it it states Bullet point 1,
 15 spoke to Earl. Bullet point 2, please revise per
 16 below. And the first sub-bullet states, quote,
 17 end of sentence should -- should go. I am okay
 18 leaving in the affiliate sentence, end quote.
 19 Do you see that?
 20 A. Okay. What is he referring to?
 21 Q. I'll highlight it for you.
 22 A. Yeah. Okay. I understand.
 23 Q. Do you recall having a conversation with
 24 Erich, appears to be August 4, 2014, about the net

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1 recoveries provision?
 2 A. I remember a conversation with Erich
 3 about Deirdre taking over or replacing Billy. I
 4 don't really actually recall seeing this. I guess
 5 I'm not copied on it, so -- but I had other
 6 conversations in August.
 7 Q. And so then I take it you -- do you not
 8 recall a -- a conversation in August about the net
 9 recoveries provision?
 10 A. Not -- I recall the number going from
 11 1.5 to 750,000. I recall Erich telling me that
 12 Deirdre will be substituted for Billy Carter. And
 13 the contract would remain basically the same.
 14 That's what I recall. That's my takeaway. I'm
 15 sure it's more things that were discussed in that
 16 phone call, but those were the three things I
 17 recall.
 18 Q. Do you ever recall a conversation with
 19 Erich where he -- he wanted to remove the consent
 20 requirement in net recoveries?
 21 A. I don't recall anything about consent
 22 requiring the consent requirement for net
 23 recoveries. That would be a major problem because
 24 I know there was a concern about IP Nav -- I mean

1 IP clouding and whether or not the previous owner
 2 of the patents would have any right on any of the
 3 contract, but we were very concerned on how the
 4 money was going to be split up and we didn't want
 5 to have somebody else getting part of the money
 6 that was not legitimately part of the contract.

7 Q. And -- and to be clear, as I understand
 8 it, you're not saying that this conversation did
 9 not occur based on -- on Eric's e-mail, you just
 10 don't recall it; is that correct?

11 A. That's the best -- that's a good
 12 explanation, yes.

13 Q. And in the context of the prior e-mail
 14 from Margo where they wanted to delete the consent
 15 requirement and then this follow e-mail with Erich
 16 where he said he spoke with you and there, quote,
 17 I'm okay leaving in the affiliate sentence. In
 18 the context, what does that mean to you as far as
 19 the agreement regarding the consent requirement?

20 MR. COHEN: Objection, form.

21 THE WITNESS: Yeah. As far as I
 22 was concerned, we still had -- had to approve
 23 anybody who was affiliated or stakeholder, being a
 24 consultant, or any -- any involvement or cost to

1 us.

2 You know, pretty close to Day 1,
 3 Erich sent me a letter defining that I would not
 4 be responsible for any of the costs that the
 5 affiliate had, like overhead, travel, and so
 6 forth. So, you know, it was important that we
 7 defined that there wasn't going to be additional
 8 costs coming into this contract, that we didn't
 9 have control over. It was supposed to be the
 10 legal costs, which covered a bunch of stuff.
 11 Nothing else was going to be added.

12 BY MR. COX:

13 Q. Would you have ever agreed to sell or
 14 give the patents without this consent requirement?

15 MR. COHEN: Objection, form.

16 THE WITNESS: I had -- Day 1 after
 17 we talked to Erich at the dinner party where he
 18 basically said he would own the patents. We went
 19 back to the hotel. Bob was pretty upset. He just
 20 wanted to go back and not even have the meeting
 21 the next day because he was concerned that, you
 22 know, once you give up the patents, you give up
 23 control of everything and they got -- you know,
 24 additional costs. So we were concerned from the

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1 very beginning that giving up the patent control
 2 would lead to costs that we didn't have control
 3 over.

4 So I talked to Michael Hund a
 5 number of times about that. That sentence or part
 6 of the sentence at the very end and he assured me
 7 that, you know, I had the right to not add any
 8 additional costs and if they were associated with
 9 the affiliate.

10 BY MR. COX:

11 Q. At the top of this Exhibit-3, you see
 12 it's from Margo Alpert sent on August 5, 2014.

13 Do you see that?

14 A. Yes.

15 Q. In it says, Hi, Erich and Deirdre.
 16 Attached is the revised PPA.

17 Do you see that?

18 A. Yup.

19 MR. COX: Ken, if you can please
 20 pull up Tab 4, please.

21 - - -

22 (Tab 4 marked as Exhibit-4 for
 23 identification.)

24 - - -

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1 BY MR. COX:

2 Q. This is the attachment to that e-mail.
 3 And for the record, that is Bates stamped
 4 IPN0044246 through IPN0044294.

5 And if you go with me to, I believe it's
 6 Page 2, you'll see that in this provision, the
 7 last?

8 A. That --

9 Q. -- with the consent requirement is no
 10 longer -- it has a strike through and it is still
 11 included in that version of the PPA; is that
 12 correct?

13 MR. COHEN: Objection, form.

14 THE WITNESS: That's correct.

15 MR. COX: Let's go back to
 16 Exhibit-3. Pulling that back up again.

17 BY MR. COX:

18 Q. On Page 4 of this document -- so on Page
 19 4 there's an e-mail from your attorney dated
 20 May 6th. Let me scroll down a little bit.

21 Do you see that?

22 A. Okay. That's me.

23 Q. And in it, the -- let's see, we'll start
 24 with the second bullet point. Do you see that

1 second bullet point, it says: Did you intend to
 2 include IP Navigation Group, LLC, and then in
 3 parenthesis, quote, IPNav, quote?
 4 A. Yes.
 5 Q. In this transaction?
 6 A. Yes.
 7 Q. And then we'll keep going. Bullet point
 8 is IPVE and affiliate IPNav, end question mark,
 9 who owns VDV, question mark.
 10 Do you see that?
 11 A. Okay.
 12 Q. And then if you go down to the bottom of
 13 the e-mail it says, what assurance/protection does
 14 the seller have that the purchaser will not assign
 15 right or licenses regarding the patents to another
 16 affiliate under terms that result in a failure to
 17 maximize the recoveries payment that might be --
 18 might have been forthcoming in an arm's length
 19 transfer of rights or that might result in the
 20 transfer of rights in exchange for something that
 21 cannot be converted into cash, such as agreements
 22 for future business services, et cetera, end
 23 question mark.
 24 A. Yes, I see that.

1 Q. So at the -- the time of this August 5th
 2 e-mail, the -- it appears to be that the -- the
 3 signatory was IP Navigation Group; is that
 4 correct, in addition to IPVDV?
 5 MR. COHEN: Objection, form.
 6 THE WITNESS: This is -- this is
 7 dated May 2000 --
 8 BY MR. COX:
 9 Q. I'm sorry. May 2014.
 10 A. Yeah.
 11 Q. So -- so at the time, do you understand
 12 that there were -- there were multiple signatories
 13 to any PPA?
 14 MR. COHEN: Objection, form.
 15 THE WITNESS: Yes.
 16 BY MR. COX:
 17 Q. And was your -- from your reading of
 18 this, was your attorney concerned about affiliates
 19 and who owns the different entities that are
 20 signing this PPA?
 21 MR. COHEN: Objection, form.
 22 THE WITNESS: Actually I was
 23 confused. There was a lot of different signatures
 24 here, so I talked to Mike about it and he seemed

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1 to be -- after discussions with whoever he talked
 2 to, seemed to be all right with that. Basically
 3 the -- the way he explained it, there was a
 4 signature for the company, which in this case
 5 would be VDV and there was a signature of the
 6 company that owned VDV, which is -- in the early
 7 part of the days, it would have been IP Navigation
 8 Group, which we understood was IPNav at that time.
 9 BY MR. COX:
 10 Q. And -- and when you say IPNav at that
 11 time, you mean --
 12 A. Well, again, you can see that
 13 parenthesis, we all called it IPNav. You know,
 14 Eric's e-mail address was IPNav. So, yeah,
 15 legally it was IP Navigation, but everybody just
 16 referred to it as IPNav.
 17 Q. And so at this time, had you heard of
 18 IPNav, LLC?
 19 A. You talking about another company,
 20 different IP Navigation. At that particular time,
 21 no, I did not know about IPNav as opposed to being
 22 IP Navigation.
 23 Q. Right.
 24 And -- and for the purposes of the

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1 deposition to try and keep it clear, if -- I will
 2 only say IP Navigation Group or IP Navigation
 3 Group, LLC to refer to, you know, the entity that
 4 was originally owned by Erich Spangenberg. Does
 5 that make sense?
 6 MR. COHEN: Objection to form.
 7 THE WITNESS: Yeah, that makes
 8 sense.
 9 BY MR. COX:
 10 Q. And then if I just say IPNav or IPNav,
 11 LLC, that's referring to Deirdre's entity. Does
 12 that make sense?
 13 A. Yes, that does make sense.
 14 Q. So just to -- just to be clear, so at
 15 the time of May 6th or in these other e-mails in
 16 referring to a conversation in August 2014, had
 17 you heard of IPNav, LLC?
 18 MR. COHEN: Objection to form.
 19 THE WITNESS: At that time I did
 20 not know that there was another company called
 21 IPNav, LLC.
 22 BY MR. COX:
 23 Q. When was the first time you heard of
 24 IPNav, LLC?

1 A. You know, I'm not really sure. I think
 2 the first time is when we saw the contract in
 3 April and I noticed there was a different name
 4 there and it was brought up to Mike and Mike
 5 basically said that, you know, Deirdre had a
 6 different company.

7 Q. So what year was that?

8 A. Well, that was -- it had to go back to
 9 2015, when that last PPA was signed.

10 Q. Did Deirdre or Erich ever explain why
 11 IPNav, LLC appeared in that agreement?

12 A. Not that I recall.

13 Q. Let's go to this next e-mail from
 14 Exhibit-3. This is Margo Alpert's response to --
 15 Margo Alpert's response on May 7th to Michael
 16 Hund's e-mail on May 6th.

17 Are you with me?

18 A. Okay.

19 Q. And if you look at bullet point 2, it
 20 says IPNav is not a party to the PPA. IPNav is a
 21 service -- is a service provider that has been
 22 helping to negotiate the purchase of these patents
 23 and will continue advising IPDV with its
 24 monetization campaign. IPDV is owned by Billy

1 Carter. I believe that he has been in touch with
 2 Earl directly. It might be beneficial for Earl,
 3 Billy, and Erich to speak in more detail about
 4 IPNav's role going forward.

5 Are you with me?

6 A. Yeah, I am with you so far.

7 Q. And that is in response to bullet point
 8 2 from your attorney, which is asking, did you
 9 intend to include IP Navigation, Group, LLC in
 10 this transaction.

11 And then bullet point 3 asking if -- if
 12 it's an affiliate of IPNav.

13 Are you still with me?

14 A. Yes.

15 MR. COHEN: Objection as to form.

16 Nathan, I -- I know you're quoting
 17 text, but I think you just used IPNav in a way
 18 that you said you weren't going to, so you might
 19 want to clarify for the record.

20 MR. COX: That is a good point.

21 Thank you.

22 BY MR. COX:

23 Q. At that point when I mentioned IPNav, it
 24 was a direct quote from bullet point 3 of Michael

1 Hund's e-mail on May 6th; is that correct?

2 A. Okay.

3 Q. Are you with me there?

4 A. Yeah, I'm with you.

5 Q. All right.

6 And then let's go back up to Margo's
 7 e-mail from May 7th. So it explains under bullet
 8 point 3, the reason that IPNav is a party to the
 9 nondisclosure agreement and the common interest
 10 agreement is to preserve privileged/work product.
 11 From what I can see, IPNav is listed in the
 12 opening paragraph of the common interest
 13 agreement.

14 A. Okay.

15 Q. So at -- at this time, it's -- it's
 16 referring only to IP Navigation Group, LLC; is
 17 that correct?

18 MR. COHEN: Objection to form.

19 THE WITNESS: I'm not sure I
 20 understand that particular question.

21 BY MR. COX:

22 Q. Just clarifying that this is only
 23 referring to IP Navigation Group, LLC, correct?

24 MR. COHEN: Same Objection.

1 THE WITNESS: Yeah, that's correct.

2 BY MR. COX:

3 Q. And just so the record is clear, this is
 4 still part of that same e-mail chain or if we go
 5 back up to Page 1, Erich mentions this e-mail with
 6 you or this conversation with you in August 2014,
 7 about the affiliate sentence in the net recoveries
 8 provision; is that correct?

9 A. Yeah, that's correct. That's a
 10 continuous e-mail chain, yeah.

11 MR. COX: All right. Ken, can you
 12 please pull up Tab 2, please.

13 MR. COHEN: And I'm just going to
 14 note, we've been going for a little more than an
 15 hour. I am perfectly okay continuing on, I
 16 just -- if the witness wants a break. I know you
 17 didn't mention it at the outset, but if the
 18 witness ever wants a break, he can ask for one, so
 19 I thought we would check.

20 MR. DEANGELO: I was thinking --
 21 this is Jimmy DeAngelo. I was thinking the same
 22 thing, that now might be a good time for us to
 23 take a quick break if this is a good stopping
 24 point.

1 MR. COX: Yeah. And I -- I just
 2 have one quick line of questioning to finish
 3 before I was going to offer a break, if that's all
 4 right. Of course that's fine, but I just wanted
 5 to finish -- wrap this one point up.

6 Is that all right with you, Earl?

7 THE WITNESS: Yes, that's all
 8 right.

9 MR. COX: All right. Let's -- so
 10 this is Exhibit-5?

11 VIDEOGRAPHER: Correct.

12 - - -

13 (Objections and responses marked as
 14 Exhibit-5 for identification.)

15 - - -

16 BY MR. COX:

17 Q. All right.

18 Is it all right if I call you Earl so I
 19 don't mess up your last name again?

20 A. Yes. That's much better than trying to
 21 say Hennenhoefer.

22 Q. Yeah. I can try and say it, but I know
 23 I will mess it up again. So if it's all right
 24 with you, I will stick with Earl.

1 MR. COHEN: And for the record, I
 2 am going to take on that permission myself for the
 3 rest of this time, so thank you, sir.

4 BY MR. COX:

5 Q. All right.

6 So this document, I'll read the title
 7 for you, this is called claimant's objections and
 8 responses to respondent's first set of discovery
 9 requests. Do you see that?

10 A. Yes, I do.

11 Q. And if we go down to Page 12. Having a
 12 little delay here.

13 MR. COX: Ken, could you go to Page
 14 11 for me.

15 BY MR. COX:

16 Q. All right. So Interrogatory No. 1 to
 17 the claimants in this case, which would be Deirdre
 18 and IPNav, LLC, states: Describe all
 19 communications between you and CBV related to
 20 CBV's consent or agreement that claimants would
 21 provide patent monetization services as referenced
 22 in Paragraphs 8 and 10 of claimants amended
 23 arbitration demand.

24 Do you see that?

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1 A. That is extremely difficult to read from
 2 there. Yeah. I see that. That's a lot, lot
 3 better.

4 Q. Do you want me to read that again or can
 5 you read that?

6 A. Yeah. I can read that and that's good.

7 Q. All right.

8 And then after that it asks for specific
 9 dates and -- and who was communicated with under
 10 those Sub Points A, B, C.

11 Do you see that?

12 A. Yes, I see that.

13 MR. COX: All right. Ken, can you
 14 go to Page 12, please. And scroll down to the
 15 bottom.

16 BY MR. COX:

17 Q. All right.

18 Do you see that paragraph that starts
 19 with respect to oral communications?

20 A. Yeah.

21 Q. All right.

22 So this is the communication that
 23 Deirdre or that the claimants identified as a

24 response to communications per CBV's consent. And

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1 they state, quote, with respect to oral
 2 communications, Erich Spangenberg had a call with
 3 Earl Hennenhoefer on August 4, 2014, and then
 4 informed Miss Leane that Mr. Hennenhoefer had
 5 agreed that IPNav would be paid 22 percent for its
 6 work running the monetization campaign.

7 Did I read that correctly?

8 A. You read that correctly, but that never
 9 happened.

10 Q. So --

11 A. There was no discussion between Erich
 12 and I about 22 percent for a monetization
 13 campaign. That would have been a killer.

14 Q. And -- and specifically it states August
 15 4th, which if we could just very quickly go back
 16 to -- to Exhibit-3.

17 This would coincide with that e-mail
 18 that Erich sent to some of the members at IPNav,
 19 including Deirdre Leane, correct?

20 A. That does.

21 Q. And in that e-mail, does it -- does it
 22 indicate that CBV's consent was still required?

23 MR. COHEN: Objection to form.

24 THE WITNESS: That -- that's

<p>1 correct.</p> <p>2 BY MR. COX:</p> <p>3 Q. So when you mentioned that the</p> <p>4 22 percent would have been a killer, what did you</p> <p>5 mean by that?</p> <p>6 A. Well, they're -- you know, they're</p> <p>7 already getting 50 percent of the net recoveries</p> <p>8 and then to put a 22 percent for gross recoveries</p> <p>9 on top of that, that would not make any sense to</p> <p>10 anybody. So that's -- that would have been a deal</p> <p>11 killer and I could not ever sell that to my</p> <p>12 partners, let alone to myself, but, you know, my</p> <p>13 partners wouldn't have agreed to it either.</p> <p>14 Q. If we -- hopefully the final question,</p> <p>15 if we go to Tab 4 real quick or Exhibit-4.</p> <p>16 MR. COX: Ken, can you go to Page</p> <p>17 14, please.</p> <p>18 BY MR. COX:</p> <p>19 Q. And this is the mutual nondisclosure</p> <p>20 agreement that's attached to the proposed PPA; is</p> <p>21 that correct?</p> <p>22 A. Yes.</p> <p>23 Q. And could you read -- we see IPNav -- or</p> <p>24 IPVDV, LLC, and then could you read that -- that</p> <p>1 other name in bold right underneath it?</p> <p>2 A. Yes.</p> <p>3 Q. What does that say?</p> <p>4 MR. DEANGELO: You want him to tell</p> <p>5 you who the parties are to this?</p> <p>6 MR. COX: Yeah. The proposed</p> <p>7 parties are in bold right underneath IPNav or</p> <p>8 IPVDV.</p> <p>9 MR. DEANGELO: He just wants you</p> <p>10 tell him who would have been parties to the</p> <p>11 agreement.</p> <p>12 THE WITNESS: What do you mean?</p> <p>13 MR. DEANGELO: He wants to -- he</p> <p>14 wants to know who were -- who were going to be</p> <p>15 parties to that agreement. So it's the three</p> <p>16 parties that are in bold that are up there.</p> <p>17 THE WITNESS: You mean the numbers</p> <p>18 commitment?</p> <p>19 MR. DEANGELO: Yeah.</p> <p>20 THE WITNESS: Well, it was always</p> <p>21 attached, yeah.</p> <p>22 BY MR. COX:</p> <p>23 Q. On that, could you just read that third</p> <p>24 line, the -- the party from that third line?</p>	<p>Page 54</p> <p>1 A. In the -- starting with Greensboro?</p> <p>2 Q. Correct.</p> <p>3 A. Yeah. Greensboro, North Carolina,</p> <p>4 27403, IP Navigation Group, LLC, with offices in</p> <p>5 Chateau Plaza, 2515 McKenzie Avenue.</p> <p>6 Q. So I --</p> <p>7 A. And it shows CBV.</p> <p>8 Q. Right.</p> <p>9 So what -- what were the three parties</p> <p>10 at the time?</p> <p>11 A. Well, the three parties would be IPVDV,</p> <p>12 which would be Eric's company. IP Navigation</p> <p>13 Group, which is what we were dealing with at the</p> <p>14 very beginning. And then, of course, our company</p> <p>15 CBV, Inc., so three parties, Billy, Erich, and us</p> <p>16 partners.</p> <p>17 Q. And, again, this was from August 2014;</p> <p>18 is that correct?</p> <p>19 A. Yes, that's correct.</p> <p>20 Q. Could you have given your consent for</p> <p>21 IPNav, LLC to get 22 percent, when at the time it</p> <p>22 was still IP Navigation Group, as a party to the</p> <p>23 transaction?</p> <p>24 MR. COHEN: Objection to form.</p> <p>Page 55</p> <p>1 THE WITNESS: Well, there was no</p> <p>2 discussion about 22 percent and certainly no</p> <p>3 discussion about another party getting 22 percent.</p> <p>4 MR. COX: All right. I think now</p> <p>5 is a good stopping point for a break.</p> <p>6 VIDEOGRAPHER: Okay. Going off the</p> <p>7 record. The time is 11:19 a.m.</p> <p>8 - - -</p> <p>9 (Whereupon, brief recess was held off</p> <p>10 the record.)</p> <p>11 - - -</p> <p>12 VIDEOGRAPHER: Going back on the</p> <p>13 record. The time is 11:31 a.m.</p> <p>14 BY MR. COX:</p> <p>15 Q. All right.</p> <p>16 Earl, we just had a brief break. Is</p> <p>17 there anything from your prior testimony that you</p> <p>18 feel like you need to go back and revise or add</p> <p>19 to?</p> <p>20 A. No, there is not.</p> <p>21 Q. All right.</p> <p>22 MR. COX: Ken, if you can please</p> <p>23 pull up Tab 9, please.</p> <p>24 - - -</p>
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<p>1 (Tab 9 marked as Exhibit-6 for 2 identification.) 3 - - - 4 VIDEOGRAPHER: This will be 5 Exhibit-6. 6 MR. COX: Thank you. 7 BY MR. COX: 8 Q. All right. 9 Earl, so this is the advisory service 10 agreement that is entered between ChanBond, LLC 11 and IPNAV, LLC, dated April 9, 2015. 12 Do you see that? 13 A. Yes, I do. 14 Q. So at the top it says, dear, Deirdre, 15 and then it -- it mentions the -- the parties. 16 MR. COX: And if we scroll down to 17 Page 5, please, Ken. 18 BY MR. COX 19 Q. You'll see that -- 20 A. Yes, I do. 21 Q. That it is signed by Deirdre for both 22 parties; is that correct? 23 A. That is correct. 24 MR. COX: And, Ken, if you can go</p>	Page 58	Page 60
<p>1 back up to Page 2, please. Can you scroll down 2 just a little bit to Bullet Point 5. 3 BY MR. COX: 4 Q. All right. 5 And I'm going to read bullet point -- 6 the first part of Bullet Point 5. It says IPNAV 7 fee. As consideration for IPNAV to enter into 8 this agreement and to provide the services, the 9 company shall pay IPNAV 22 percent of the gross 10 consideration with respect to any monetization 11 fee. And then in brackets, the, quote, IPNAV fee, 12 end quote, end brackets. 13 Do you see that? 14 A. Yes, I do. 15 MR. COHEN: Just for the record, 16 that was any monetization event, not any 17 monetization fee. 18 MR. COX: Sorry about that. Thank 19 you. 20 BY MR. COX: 21 Q. Would this fee, IPNAV fee as it's 22 called, required, CBV's consent under the PPA? 23 MR. COHEN: Objection, form.</p>	Page 59	Page 61

<p>1 Is it -- is it a number that you're 2 happy with?</p> <p>3 A. Well, you know, you never want to go 4 around second-guessing people. Obviously we 5 thought the number should have been higher. But I 6 was not in court while things were going on, so I 7 don't think I'm in the position to second guess. 8 But all three partners felt disappointed with the 9 number.</p> <p>10 Q. I want to talk about the -- the work 11 that -- that Billy and Deirdre did on this -- this 12 monetization campaign. Can you first talk about 13 what work Billy did to help monetize the patents?</p> <p>14 A. I really don't know what work Billy or 15 Deirdre did to monetize the patent. Our 16 conversations were -- I want to say 90 percent of 17 our conversations were with Mishcon and KWM. We 18 were told that Billy was reviewing all the costs 19 and sending those things to Betham, but I don't 20 know what Billy did.</p> <p>21 I kind of -- I asked Billy out to lunch 22 when I was down in North Carolina visiting my son 23 a couple years ago. I brought my wife along and 24 so forth. And I -- I kind of asked, you know,</p>	Page 66	<p>1 opinion that if she didn't get her share, nobody 2 is going to get anything. But that was really a 3 statement that -- that KWM made. We didn't know 4 anything really about that.</p> <p>5 BY MR. COX:</p> <p>6 Q. Are you aware of -- of how that effected 7 the settlement in the case?</p> <p>8 MR. COHEN: Objection, form.</p> <p>9 THE WITNESS: I don't think I'm 10 qualified to answer that.</p> <p>11 BY MR. COX:</p> <p>12 Q. In your personal knowledge, would that 13 have helped or hurt settlement leverage?</p> <p>14 MR. COHEN: Objection, form.</p> <p>15 THE WITNESS: Well, it definitely 16 would not have helped the settlement leverage and 17 I think it did -- it did hurt it. From my point 18 of view, that changed the thought process of KWM 19 to a much lower number than I thought they should 20 have had. That's a personal opinion.</p> <p>21 BY MR. COX:</p> <p>22 Q. If anyone did come to you, asking for 23 your consent to enter agreement giving 22 percent 24 of the gross proceeds, what would your response</p>	Page 68
<p>1 what he was doing. And he said, well, I'm 2 managing a -- your expectations and trying to make 3 sure they're not too high. But that was really 4 the extent to what he said he was doing.</p> <p>5 Q. Are you aware of any actions that 6 Deirdre Leane or her attorneys may have taken 7 that -- that obstructed the Delaware litigation?</p> <p>8 MR. COHEN: Objection; form.</p> <p>9 THE WITNESS: No. I'm -- I'm not 10 really -- all that would be hearsay. I really 11 don't know what they were doing.</p> <p>12 BY MR. COX:</p> <p>13 Q. And I understand you might think it's 14 hearsay. And I'm just trying to understand if -- 15 if you're aware of any actions that Deirdre or her 16 attorneys may have taken that -- that affected the 17 settlement?</p> <p>18 MR. COHEN: Objection to form.</p> <p>19 THE WITNESS: We talked about 20 Whitman and they were very unhappy with the fact 21 that they filed -- they being Deirdre and her 22 attorneys, filed something in the State of 23 Delaware trying to blow off the case. The way 24 they stated it was that Deirdre was -- was of the</p>	Page 67	<p>1 have been?</p> <p>2 MR. COHEN: Objection, form.</p> <p>3 THE WITNESS: I would not have 4 given anybody permission for 22 percent, nor would 5 I even agree to compromise anything even less than 6 22 percent. I think the whole thing was 7 fabricated.</p> <p>8 MR. COX: Thank you. I'll pass the 9 witness.</p> <p>10 MR. COHEN: Terrific. Thank you, 11 Nathan.</p> <p>12 - - -</p> <p>13 Examination</p> <p>14 - - -</p> <p>15 BY MR. COHEN:</p> <p>16 Q. Earl, and as I said, I will take your 17 permission to call you that.</p> <p>18 Earl, do you need a break before we keep 19 rolling?</p> <p>20 A. Yes. You can call me Earl.</p> <p>21 Q. Thank you.</p> <p>22 A. It's much easier.</p> <p>23 Q. All right.</p> <p>24 So, again, if you need a break at any</p>	Page 69

1 time, please just let me know and we'll take a
2 break.

3 MR. COHEN: Now that I am not on
4 mute like 90 percent of the time, I'll just
5 silence my cell phone so it doesn't interrupt
6 anybody.

7 BY MR. COHEN:

8 Q. Okay.

9 Earl, just to get a couple preliminaries
10 out of the way. Is there any reason you can think
11 of why your memory might be compromised today
12 versus normal?

13 A. I think my memory is fine.

14 Q. Good.

15 And any particular reason that you can
16 think of why you wouldn't be able to testify
17 truthfully and accurately today?

18 A. No, there's no reason why I shouldn't be
19 able to be truthful and accurate.

20 Q. I appreciate that. And just to be
21 clear, those are questions we ask of every witness
22 just to make sure because every so often you get a
23 witness who says, oh, my God, I was -- I was on
24 medication that day and I didn't realize it was

1 going to impact me, et cetera. And so we just
2 sort of clear that out up at the top, it's not
3 anything to do with you.

4 I also -- I heard you say you served in
5 the navy. Thank you for your service before I get
6 to anything else.

7 You testified quite a bit, Earl, about
8 the net recoveries provision of the patent
9 purchase agreement. Do you recall that?

10 A. Yes, I do recall that.

11 Q. Okay.

12 Is it a fair summary to say that the
13 point of the net recoveries provision and
14 everything included in that was to define what
15 deductions could be taken before CBV's share of
16 revenue was calculated?

17 MR. COX: Objection to form.

18 THE WITNESS: I think that's a fair
19 statement.

20 BY MR. COHEN:

21 Q. Okay.

22 And so just to be clear, does CBV have
23 any concern at all about what ChanBond does with
24 its share of the revenue?

1 A. Well, it depends what you mean by
2 ChanBond's share. You mean after we get our
3 money, do we care what ChanBond does with their
4 money? Is that what the question --

5 Q. That's the exact question, sir.

6 A. Okay.

7 As CBV, we would not care. As some of
8 us are shareholders, we might have some concern
9 about that.

10 Q. Shareholders in what?

11 A. UOIP.

12 Q. Who is a shareholder in UOIP?

13 A. Earl, who is a shareholder in UOIP?

14 Q. Well, I'm -- you know, only thing I know
15 is what some of the partners said. I know I'm a
16 shareholder.

17 Q. Okay.

18 When did you become a shareholder in
19 UOIP?

20 A. When we went out to talk to Kansas City
21 and the offer was made and we came back to
22 Harrisburg and then a counteroffer was made and
23 basically we decided to just do the PPA and not
24 include UOIP.

1 The natural tendency is, you know, well,
2 what if we did, you know, sign up to get some of
3 the UOIP shares stock. So we watched the stock
4 very closely and also watched the message board
5 that people comment about the stock. And I bought
6 some of the stock because it was very low priced
7 and figured, you know, you never know, might be a
8 good investment. That's while the stock was still
9 listed.

10 Q. Okay.

11 But CBV, Inc., the company, doesn't have
12 any concern one way or the other what -- what
13 ChanBond does with its money, right?

14 A. CBV has no concern about what ChanBond
15 does with its money after we get our -- our cut.

16 Q. Okay.

17 A. That's their business.

18 Q. [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

22 MR. COX: Objection to form.

23 THE WITNESS: We were not -- not
24 informed of that and we would have a problem with

1 that.

2 BY MR. COHEN:

3 Q. All right.

4 That would be an expense that you would
5 have a -- a right to approve or disapprove before
6 it impacted your share of the funding, right?

7 MR. COX: Objection to form.

8 THE WITNESS: I would have a
9 problem with -- we should approve that expense,
10 basically a shareholder.

11 BY MR. COHEN:

12 Q. Okay.

13 Have you had any communications with
14 Billy or his counsel or Unified or ChanBond or its
15 counsel about this arbitration, other than in
16 terms of scheduling your deposition?

17 So let me reask that, Earl.

18 Other than in terms of making the
19 arrangements for you to appear for deposition,
20 have you had communications with Billy or Unified
21 or their attorneys about this arbitration between
22 Deirdre and IPNav and Unified and ChanBond?

23 A. Number one, my partners, because I was
24 hard of hearing, and they would call Billy and

1 Well -- and he did a meeting in
2 Delaware. He was upset that we didn't sign
3 anything, which I have a problem with because I
4 did sign something with the Texas attorney saying
5 that I never had a discussion pertaining to the
6 ASA of 22 percent. So I never did understand what
7 Billy got upset about.

8 Q. Okay.

9 And generally speaking, do you
10 understand what the total amount of money that
11 will be going to CBV as its net recovery or its
12 share of the net recovery would be, assuming
13 nothing goes to Deirdre?

14 A. Yes. I understand the general money.
15 Not the detail, but still seems to be some
16 question outstanding, but generally I understand
17 what the percentage would be.

18 Q. Okay.

19 Do you have -- do you have any idea what
20 the specific dollar amount would be or -- or
21 general understanding of where -- what that would
22 be in the area of?

23 A. Yeah. I have a general understanding
24 what that dollar amount would be, yes.

1 talk to him. I did not attend that call because
2 my hearing problem. That's when they found out
3 about this lawsuit pending. Billy was very upset
4 about it and actually told my partners that I had
5 personally signed the advisory service agreement.

6 And then we had a meeting down in
7 Delaware to practice all the trial. And Billy was
8 attending and -- and while we're going through the
9 practice of getting ready for the trial, and I
10 asked Billy, well, how the arbitration was going
11 between himself and Deirdre and he really pushed
12 back hard on that saying that this was not his
13 problem, it was our problem, and that caused a lot
14 of riff between the two of us at that time.

15 Q. Did he explain why he thought it was
16 your problem?

17 A. Yes. He asked Dick Snider and Bob Stine
18 to sign an affidavit saying that we never
19 discussed an advisory service agreement with
20 Deirdre. And it was kind of written not very
21 professionally and we referred it to our attorney.
22 He advised us not to sign anything and if we were
23 going to sign something, have it sent to us by his
24 attorney.

1 Q. Okay.

2 What is -- what is that understanding?

3 A. [REDACTED]

[REDACTED]

6 Q. Okay.

7 And you're aware that if the panel
8 awards Deirdre money, that then gets treated as a
9 deduction against net revenue, there's a
10 possibility that you would end up with
11 significantly less money, correct?

12 A. Yes. According to my -- Mark Raskin
13 reading of that PPA, our attorneys advised us in
14 the beginning and so did Mark and so did Bob
15 Whitman, was that this arbitration would not
16 affect our share of money. After the settlement,
17 their -- their tune changed considerably. But
18 without a settlement, this arbitration would have
19 no impact on us, that we were assured by them that
20 this was Billy's and Deirdre's argument, not ours.

21 Q. Okay.

22 Meaning that if Deirdre was going to be
23 awarded money would it just come out of Billy's
24 share not impact you is that how you understood

<p>1 that?</p> <p>2 MR. COX: Objection to form.</p> <p>3 THE WITNESS: That's how we</p> <p>4 understood it from Mark Raskin and Bob Whitman.</p> <p>5 BY MR. COHEN:</p> <p>6 Q. Okay.</p> <p>7 Now, can I ask you: Did you have an</p> <p>8 understanding at any time that IP Navigation</p> <p>9 Group, and we'll just call it for now, both IPNav</p> <p>10 and IP Navigation Group, that that business, the</p> <p>11 way they got paid was by taking a percentage of</p> <p>12 gross recoveries for providing monetization</p> <p>13 services?</p> <p>14 A. That was not part of the agreement.</p> <p>15 Never came up. They were going to get part of the</p> <p>16 net recoveries and that was it.</p> <p>17 Q. And just to be clear, if you ever had</p> <p>18 thought that they were going to get -- let me</p> <p>19 strike that. I'm phrasing that really badly. I</p> <p>20 apologize.</p> <p>21 Just to be clear, at no point did you</p> <p>22 ever think there was going to be a structure where</p> <p>23 IP Navigation Group or IPNav would be -- being</p> <p>24 paid a percentage of the gross recoveries;</p> <p>1 that's -- that's as you recall it, correct?</p> <p>2 A. Yes. We -- I understand the question</p> <p>3 and, no, my understanding -- in no way did we believe that</p> <p>4 IP Navigation Group or even IPNav would get a</p> <p>5 percentage of gross recoveries.</p> <p>6 Q. Okay.</p> <p>7 And that's whether it was 1 percent or</p> <p>8 5 percent or 20 percent or 85 percent, right,</p> <p>9 nothing?</p> <p>10 A. That was -- that was zero, as far as we</p> <p>11 knew.</p> <p>12 Q. Okay.</p> <p>13 A. Period.</p> <p>14 MR. COHEN: So are we going to</p> <p>15 continue the exhibit numbering, Nathan, or should</p> <p>16 we mark this as -- as a letter?</p> <p>17 MR. COX: Whatever you want.</p> <p>18 MR. COHEN: You know, let's just</p> <p>19 continue the numbering. I think that's probably</p> <p>20 going to be the easiest. So your last one was</p> <p>21 Exhibit-5 or Exhibit-6, so let's mark this one as</p> <p>22 Exhibit-7 and I'm just going to share my screen.</p> <p>23 - - -</p> <p>24 (E-mail marked as Exhibit-7 for</p>	<p>Page 80</p> <p>1 identification.)</p> <p>2 - - -</p> <p>3 BY MR. COHEN:</p> <p>4 Q. And so what you should see now is an</p> <p>5 e-mail that is Bates numbered IPN0028763. And</p> <p>6 this is an e-mail chain between you and Deirdre</p> <p>7 Leane with a CC to Bob Stine and then later on,</p> <p>8 somebody named Umesh Jani, U-M-E-S-H, space,</p> <p>9 J-A-N-I, gets added on to the e-mail chain.</p> <p>10 Do you see that, Earl?</p> <p>11 A. Yeah. I see it, yeah.</p> <p>12 Q. Okay.</p> <p>13 I'm just going to scroll down to your</p> <p>14 initial e-mail here. And you see you ask the</p> <p>15 question: What is your firm compensation</p> <p>16 schedule. I know it depends on the strategy that</p> <p>17 CBV and IPNav pursues. Do you see that?</p> <p>18 A. Yes.</p> <p>19 Q. Okay.</p> <p>20 And this, by the way, is November 11,</p> <p>21 2013. So this is before that very first in-person</p> <p>22 meeting, correct?</p> <p>23 A. That was one of the first contact, yes.</p> <p>24 Q. Right.</p> <p>Page 79</p> <p>1 And Deirdre responded: Our fee</p> <p>2 structure is really dependent on the portfolio,</p> <p>3 but we take a percentage of the gross proceeds</p> <p>4 from the campaign. Do you see that?</p> <p>5 A. Yes.</p> <p>6 Q. I'm going to pull that down now because</p> <p>7 that's really all I wanted out of that one.</p> <p>8 You reached out based on that airline</p> <p>9 magazine article, correct?</p> <p>10 A. Yes.</p> <p>11 Q. And you reached out to Deirdre, not to</p> <p>12 Billy Carter, correct?</p> <p>13 A. Yes. That was first contact.</p> <p>14 Q. And -- and you chose to reach out to</p> <p>15 Deirdre because she was the one with the patent</p> <p>16 monetization experience and the technical</p> <p>17 expertise based on the article, right?</p> <p>18 MR. COX: Objection to form.</p> <p>19 Objection, leading.</p> <p>20 BY MR. COHEN</p> <p>21 Q. And the reason you chose to reach out to</p> <p>22 Deirdre was because -- and not to Billy was</p> <p>23 because, based on the article, Deirdre was the</p> <p>24 person who did the patent monetization work and</p>
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<p>1 had technical expertise, correct?</p> <p>2 MR. COX: Objection to form.</p> <p>3 THE WITNESS: Not actually. I</p> <p>4 reached out to Deirdre because she was the</p> <p>5 president and I thought -- reached out to Deirdre</p> <p>6 might be easier than trying to get ahold of Erich.</p> <p>7 BY MR. COHEN:</p> <p>8 Q. Okay.</p> <p>9 Now, you had mentioned that you recalled</p> <p>10 your initial meeting being in December of 2013; is</p> <p>11 that correct?</p> <p>12 A. I believe it was 2000, December. I'm</p> <p>13 not sure about that.</p> <p>14 Q. Okay. Yeah.</p> <p>15 A. Certainly after the memo that we got</p> <p>16 back from...</p> <p>17 Q. Sure.</p> <p>18 And I'm just going to show you an</p> <p>19 e-mail.</p> <p>20 MR. COHEN: We'll mark it as</p> <p>21 Exhibit-8.</p> <p>22 - - -</p> <p>23 (E-mail marked as Exhibit-8 for</p> <p>24 identification.)</p>	Page 82	<p>1 MR. COX: Objection, leading.</p> <p>2 THE WITNESS: Yeah. Just Bob and</p> <p>3 I, yes.</p> <p>4 BY MR. COHEN:</p> <p>5 Q. Okay.</p> <p>6 And -- and so does the date here,</p> <p>7 Monday, January 27, 2014, does that then refresh</p> <p>8 your recollection that that first -- that first</p> <p>9 in-person meeting was in late January 2014?</p> <p>10 A. Yeah. That would make sense.</p> <p>11 Q. Okay.</p> <p>12 A. I don't recall the exact dates.</p> <p>13 Q. Terrific.</p> <p>14 So let me just -- I apologize.</p> <p>15 Now, I'm going to go back to an e-mail</p> <p>16 that you saw earlier, I believe this was</p> <p>17 Exhibit-2, the e-mail from Erich on the 28th of</p> <p>18 January. Do you see that?</p> <p>19 A. No, I don't. It's not up there yet.</p> <p>20 Q. My apologies. That's -- that's my</p> <p>21 fault. I didn't hit the screen share button.</p> <p>22 A. Okay.</p> <p>23 Q. Well, somebody has pulled it up for me</p> <p>24 and I appreciate that.</p>	Page 84
<p>1 - - -</p> <p>2 BY MR. COHEN:</p> <p>3 Q. And this really just so that we can sort</p> <p>4 of start to set the timeline in place.</p> <p>5 So this is an e-mail that is -- starts</p> <p>6 with Bates No. CB003263. And I'm -- there's a</p> <p>7 couple pages, but I'm just going to focus on the</p> <p>8 e-mail at the bottom of that first page, which is</p> <p>9 from Deirdre to you to Bob Stine and then to a</p> <p>10 bunch of folks at IPNav.com e-mail addresses and</p> <p>11 Billy Carter at ITCMadvisors.com. Do you see</p> <p>12 that?</p> <p>13 A. Yes, I see that.</p> <p>14 Q. Okay.</p> <p>15 And -- and the e-mail says, Hi, Earl and</p> <p>16 Bob. Thank you for making the trip to Dallas. It</p> <p>17 was a pleasure to meet you both in person. Do you</p> <p>18 see that?</p> <p>19 A. Yes, I do.</p> <p>20 Q. Okay.</p> <p>21 And do you recall on that first meeting</p> <p>22 with Deirdre and her team, that it was just you</p> <p>23 and -- and Bob Stine, Dick Snider didn't come,</p> <p>24 correct?</p>	Page 83	<p>1 So do you see right here we have an</p> <p>2 e-mail from Erich on January 28th; do you see</p> <p>3 that?</p> <p>4 A. What's it referring to?</p> <p>5 Q. Exhibit -- Exhibit-2, that's --</p> <p>6 A. January 28th -- February 28th, yes.</p> <p>7 Q. January 28th, right?</p> <p>8 So that's the day after that initial --</p> <p>9 that initial meeting, correct?</p> <p>10 MR. COX: No, it's a month later.</p> <p>11 THE WITNESS: This says February,</p> <p>12 right?</p> <p>13 BY MR. COHEN:</p> <p>14 Q. Oh, sorry. Then I'm looking at the</p> <p>15 wrong e-mail. It was not the same -- it was not</p> <p>16 the same e-mail in the first place.</p> <p>17 MR. COHEN: Ken, can you take that</p> <p>18 down and I will just -- I'll handle the screen</p> <p>19 sharing on my end. Aside from the -- the hiccup</p> <p>20 of not actually pressing the button this time, I'm</p> <p>21 generally all right with it, so I appreciate it.</p> <p>22 So let me share this e-mail then, which</p> <p>23 will be Exhibit-9.</p> <p>24 - - -</p>	Page 85

<p>1 (E-mail marked as Exhibit-9 for 2 identification.) 3 - - - 4 BY MR. COHEN: 5 Q. Now, do you see this e-mail here that's 6 Exhibit-9, is an e-mail Bates numbered CB003260; 7 do you see that? 8 A. Yes, I do. 9 Q. Okay. 10 And do you see it's an e-mail from Erich 11 to you and Bob Stine dated January 28, 2014, 12 right? 13 A. Yes. 14 Q. Okay. 15 And you see he says, Jonathan, and there 16 he's referring to Jonathan Skeels, who is somebody 17 at IP Navigation Group, pulled together an 18 analysis on three options. 19 And option one is you hold onto CBV. 20 And then there was option two and option three 21 where you sell CBV and the assets. Do you see it? 22 A. Yes. 23 Q. So does that refresh your recollection 24 that actually in the initial discussion, there was</p>	Page 86	Page 88
<p>1 an option where you wouldn't sell the patents at 2 all, you would hold onto them? 3 A. Well, I don't recall -- recall that, but 4 if there was an option, I'm sure my partners would 5 have grabbed hold of that. 6 Q. Okay. 7 MR. COHEN: And I'm going to just 8 open another document which we'll mark as 9 Exhibit-10, which is the attachment. 10 And you guys are seeing this -- 11 this spreadsheet, correct? 12 - - - 13 (Spreadsheet marked as Exhibit-10 for 14 identification.) 15 - - - 16 THE WITNESS: I don't see any 17 spreadsheet yet. 18 MR. COHEN: All right. Hold on. 19 So... 20 BY MR. COHEN: 21 Q. See it now? 22 A. Okay. Yeah. It could be bigger, but... 23 Q. Yeah. 24 And if you take a look, option one here,</p>	Page 87	Page 89
	1 here on Line 24? 2 A. Yup. 3 Q. And then on Line 36, same thing, total 4 gross recoveries of 5 million? 5 A. Yes. 6 Q. And in both option one and option two 7 there's a cash advance of \$500,000, yes? 8 A. Yup. 9 Q. Okay. 10 And then there's an estimate of advanced 11 costs, which in both of these -- in column one is 12 \$5 million? 13 A. Yeah. Seems to be consistent, yes. 14 Q. Right. 15 And then there's scenarios running 16 through, Column C is a scenario where the gross 17 recovery is 10 million and the cash advance is 18 6 million. Column D is a 20 million gross 19 recovery and an 80 million cash advance. But that 20 number -- that structure carries through. Do you 21 see that? 22 A. I see it, yeah. 23 Q. Okay. 24 And then it runs through that the -- it	

<p>1 tells you what your advanced costs would be in 2 these scenarios as a percentage of gross 3 recoveries and that's the same again for both 4 options --</p> <p>5 A. -- I see it.</p> <p>6 Q. -- one and option two, right?</p> <p>7 A. Yeah.</p> <p>8 Q. And then you have the total cash and 9 recoveries to CBV, and if you look across B, C, D, 10 E, F, and G in both Line 29 for option one and 11 then Line 41 for option two, those numbers are the 12 same; do you see that?</p> <p>13 A. That's right.</p> <p>14 Q. And then the difference becomes after 15 tax cash and gross recoveries to CBV, option two 16 the total recovery is significantly higher in 17 every circumstance than option one with CBV 18 retaining title.</p> <p>19 Do you see that?</p> <p>20 A. Yes. That's what they put down, yes.</p> <p>21 Q. Right.</p> <p>22 And I believe that was because if CBV 23 retained title, then any income from the 24 recoveries would just be ordinary income and taxed</p>	Page 90	<p>1 to take a look -- let's go to -- my apologies. 2 I'm just going to pull up Exhibit-4.</p> <p>3 BY MR. COHEN</p> <p>4 Q. Which is that red line of the PPA that 5 you saw earlier. So hold on.</p> <p>6 A. It's not up yet.</p> <p>7 Q. Yep. Here it comes. All right.</p> <p>8 A. Okay.</p> <p>9 Q. So you see here that what came out in 10 Exhibit-4 in Section 2.8 was the language, which 11 the parties mutually agree are required. Do you 12 see that?</p> <p>13 A. Could you make that bigger because, no, 14 I can't see it.</p> <p>15 Q. I apologize. Let me -- let me --</p> <p>16 A. Okay.</p> <p>17 Q. Better?</p> <p>18 A. That's a lot better.</p> <p>19 Q. Okay.</p> <p>20 So you see what came out was the 21 language: Which the parties mutually agree are 22 required, correct?</p> <p>23 A. Yes.</p> <p>24 Q. Okay.</p>	Page 92
<p>1 at the ordinary rate, correct?</p> <p>2 A. That's what that thing showed.</p> <p>3 According to our tax accountant, that's not true.</p> <p>4 Q. Okay.</p> <p>5 But their pitch -- their pitch to you --</p> <p>6 A. That was his argument.</p> <p>7 Q. That was his argument, correct?</p> <p>8 A. Right.</p> <p>9 MR. COHEN: So I'm just going to 10 stop sharing this.</p> <p>11 BY MR. COHEN:</p> <p>12 Q. But so at least initially, they were 13 pitching that there was a possibility that you 14 would retain that, correct?</p> <p>15 A. It was pretty emphatic at dinner. And 16 later on, I pushed back a number of times about 17 that because the partners and I didn't want to 18 give up ownership. So I'm sure that's what this 19 thing is lined up about. But finally, you know, 20 it just came across, you know, I don't want you 21 guys making the decision because you don't make it 22 fast enough.</p> <p>23 Q. Okay.</p> <p>24 MR. COHEN: And now I'm just going</p>	Page 91	<p>1 And just looking at this net recoveries 2 position, right, that -- that language was part of 3 Exhibit -- was part of Sub Point E of net 4 recoveries, right, before it was deleted?</p> <p>5 A. Yeah.</p> <p>6 Q. Okay.</p> <p>7 And prior to -- prior to the deletion, 8 what that provision said was that -- that the 9 reasonable fees and expenses of any other advisors 10 or agents which the parties mutually agree are 11 required, would be deducted in calculating net 12 recoveries, correct?</p> <p>13 A. Yes.</p> <p>14 Q. Okay.</p> <p>15 And then when this got deducted, this 16 language which the parties mutually agreed are 17 required, what that meant was that the reasonable 18 fees and expenses of any other advisors or agents 19 would be deductions from net recoveries, even if 20 you hadn't specifically said I agree that those 21 agents are required, so it would be the purchasing 22 entities, total discretion what -- of who to 23 retain, correct?</p> <p>24 MR. COX: Objection to form.</p>	Page 93

1 THE WITNESS: It's the purchasing 2 entity's discretion of who they bring, as long as 3 they're not an affiliate with the purchaser or a 4 stakeholder.	Page 94	1 e-mail dated Thursday, April 3rd, from Deirdre 2 internally at IP Navigation, saying parties are 3 very close on getting to a PPA. Do you see that?	Page 96
5 BY MR. COHEN:		4 A. Yes, I see that.	
6 Q. Well -- and that's that next sentence 7 there says, notwithstanding the above, any costs 8 or expense which is paid to an affiliate of 9 purchaser or to a stakeholder of purchaser shall 10 require the prior approval of seller, right?	5 Q. Okay.	5 Q. Okay. 6 And you guys did, in fact, get to a 7 patent purchase agreement with IPDV to buy the 8 patents from CBV in the spring of 2014, correct?	
11 A. Right.		6 A. That is correct. They actually signed 7 everything.	
12 Q. Meaning, they could retain whoever they 13 wanted, but if money is going out the door to an 14 affiliate or a stakeholder, that payment isn't 15 going to be a deduction against net revenues 16 unless you specifically approve it, right?	11 Q. Right.	8 MR. COX: Objection, leading. 9 THE WITNESS: Let me rephrase that. 10 I think what you're saying, what I think I 11 understand is that they could have an agreement 12 with a third party, but it's not our expense.	
22 BY MR. COHEN:		13 A. I guess that could be. My point of 14 view, we were waiting to get the money from -- 15 from -- from Billy. We had to send a lot of 16 documents to IP Navigation.	
23 Q. Right.		17 Q. And you have anticipated my very next 18 question, sir, so I appreciate that.	
24 A. Yeah. That -- that would be my opinion		23 (E-mail marked as Exhibit-12 for 24 identification.)	
1 valid.	Page 95	23 - - -	Page 97
2 Q. Okay. Thank you.		2 BY MR. COHEN:	
3 MR. COHEN: Now I'm just going to 4 stop sharing this one and I'm going to pull up 5 another document. Hold on. And this will become 6 Exhibit-10.		3 Q. I'm going to show you an e-mail dated 4 April 16th of 2014. And do you recall that there 5 was an issue with one of CBV's current IP law 6 firms getting documents to IP Navigation?	
7 VIDEOGRAPHER: This should actually 8 be 11. The Excel sheet was 10.		7 A. Okay. I don't recall the letter, but...	
9 - - -		8 Q. Okay.	
10 (Bates CB003496 marked as Exhibit-11 for 11 identification.)		9 And do you recall that IP Navigation and 10 the purchasing entity said they're not closing 11 until they have a chance to review the documents 12 that they would need to get from you guys, right?	
12 - - -		13 A. I see the memo, yeah.	
13 MR. COHEN: Oh, that's right. The 14 Excel sheet was 10. Thank you.		14 Q. Okay.	
15 BY MR. COHEN:		15 And I believe you talked -- you	
16 Q. So this is Exhibit-11. And it is a 17 document Bates numbered CB003496. And I see Mike 18 Hund sic block at McNees. So I'm glad to see you 19 have a long relationship with attorneys, that 20 speaks well for them. And it rolls all the way 21 through to 3506. And it's not up. I apologize.		16 testified earlier that Billy had wanted to -- to 17 buy Z-Band from you as well, correct? And -- and 18 you all had decided to pass on selling Z-band to 19 Billy because the money was too low to start, 20 correct?	
22 A. The document is not up there yet.		21 A. That is correct.	
23 Q. Yep. Here it is.		22 Q. Okay.	
24 And so here we have -- here we have the		23 Now I'm going to show you another 24 document, it's dated May 1, so hold on a second.	

<p style="text-align: right;">Page 98</p> <p>1 This was from when Billy was trying to talk to you 2 about buying both Z-Band and the patents. 3 MR. COHEN: And we'll mark this one 4 as Exhibit-13. 5 - - - 6 (E-mail marked as Exhibit-13 for 7 identification.) 8 - - - 9 BY MR. COHEN: 10 Q. Do you recall getting this e-mail from 11 Billy in May of 2014? 12 A. No, I don't off the top of my head. 13 But, you know, I got a lot of memos -- a lot of 14 e-mails I don't -- 15 Q. Yeah. No, that's -- that's perfectly 16 okay. 17 So just to -- to remind you, so in late 18 April 2019, and this is at CB004321, you -- you 19 passed along that you all decided to pass on 20 selling Z-Band to them, correct? 21 A. Yes. 22 Q. And you explained that was because his 23 offer just didn't give enough short-term success. 24 Do you see that?</p>	<p style="text-align: right;">Page 100</p> <p>1 top line significantly improved, what role do we 2 play, et cetera, et cetera. Do you see that? 3 A. Yeah. Yeah. 4 Q. And then Billy responds with some 5 answers. Do you see that? 6 A. Yes, I do. 7 Q. Okay. 8 And he says, the approach is, No. 1, 9 to -- to get the top line better, they want to 10 negotiate some service contracts based on 11 clouding. Do you see that? 12 A. Yes. 13 Q. And then he says they want to identify 14 and acquire additional IP assets that IPNav would 15 monetize on their behalf. Do you see that? 16 A. Yes, I see that. 17 Q. Okay. 18 So as of May 1, 2014, you understood 19 that Billy was proposing that, and we'll just call 20 it Unified because that's how we all know it now, 21 that Unified would be retaining IPNav to monetize 22 patents for it, right? 23 MR. COX: Objection; leading. And 24 objection, form.</p>
<p style="text-align: right;">Page 99</p> <p>1 A. Yes. Well, I don't see the very bottom. 2 You know, okay. Thank you for your offer. 3 Q. Do you see that? Okay. 4 A. Yes. 5 Q. And then there were some continued 6 discussions, Billy basically said why don't you 7 counter, right? 8 MR. COX: Objection, leading. 9 BY MR. COHEN: 10 Q. Do you see Billy wrote, why don't you 11 counter? 12 A. Yeah. I see that, yeah. 13 Q. Okay. 14 And then you responded -- 15 A. I was waiting for nobody. 16 Q. Yeah. 17 And -- and -- and then you responded 18 with some questions about Ice Webb, which was the 19 company that is currently know as UOIP, right, 20 Unified, right? 21 A. Yeah. I am sure we had some questions, 22 yeah. 23 Q. Okay. 24 You know, what are the plans to get the</p>	<p style="text-align: right;">Page 101</p> <p>1 THE WITNESS: Well, he's talking 2 about IPNav, I am assuming -- you know, we would 3 assume that IP Navigation. 4 BY MR. COHEN: 5 Q. At this time, May -- in May of 2014, 6 right? 7 But you understood that he was talking 8 about retaining IP Navigation Group to handle the 9 pat -- patent monetization work, right? 10 A. IP Nav -- Navigation are -- Erich had 11 several IP assets that he wanted to include into 12 this deal, which would have been a lot more 13 complicated, in my opinion. 14 Q. Okay. 15 And you understood that Billy was 16 thinking that IPDV would retain IP Navigation 17 Group and pay IP Navigation Group a percentage of 18 the gross proceeds of the monetization, right? 19 MR. COX: Objection; leading. 20 THE WITNESS: That thought never 21 crossed us. I don't think we understood that at 22 all. 23 BY MR. COHEN: 24 Q. Okay.</p>

<p style="text-align: right;">Page 102</p> <p>I'm just going to show you this next document.</p> <p>MS. STAHL: Which is CB004799 and this will be Exhibit-14.</p> <p style="text-align: center;">---</p> <p>(CB004799 marked as Exhibit-14 for identification.)</p> <p style="text-align: center;">---</p> <p>BY MR. COHEN:</p> <p>Q. Okay.</p> <p>So do you see here you sent an e-mail to Billy and Erich on Wednesday May 7, 2014, at 10:28 a.m.?</p> <p>A. Okay. I see that.</p> <p>Q. Okay.</p> <p>And then you said before you get back to him on Z-band, you have questions on the relationships between companies.</p> <p>Do you see that?</p> <p>A. Yeah.</p> <p>Q. Okay.</p> <p>And then you describe your understanding and asked whether it was correct. So you said, No. 1, the owner of IPVDV is 100 percent Billy</p>	<p style="text-align: right;">Page 104</p> <p>Q. Earl, you wrote here that your understanding was that IPVDV was a hundred percent owned by Billy Carter, who is an individual human being, correct?</p> <p>A. That's a question, yes.</p> <p>Q. Okay.</p> <p>And you understand, don't you, Earl, that Billy Carter can't be a subsidiary of IP Navigation Group, right?</p> <p>MR. COX: Objection, form.</p> <p>THE WITNESS: That's my -- that was our understanding that IP -- VDV was a subsidiary of IP Navigation.</p> <p>BY MR. COHEN:</p> <p>Q. Okay.</p> <p>And is that consistent, do you think -- and I understand that's your recollection --</p> <p>A. We're trying to get -- we're trying to solve the dead bodies here. You know, we didn't understand how this thing all goes. You got IPNav, you got ICWebb. You got IPclouding.</p> <p>Q. Earl --</p> <p>A. And trying to figure out what's going on.</p>
<p style="text-align: right;">Page 103</p> <p>Carter, correct, that was your -- that was your question, right?</p> <p>A. Right.</p> <p>Q. So you understood at that point in time that IP Navigation Group, LLC was not going to be the owner of IPVDV, right?</p> <p>A. I'm not sure I understand that.</p> <p>Q. Well, go ahead.</p> <p>A. My understanding is that Billy owned VDV, but IPNav owned -- that was a sub -- subsidiary of IPNav. You're saying that IPVDV is going to be a totally separate company and separate from IPNav, we didn't understand it that way.</p> <p>Q. So you thought IP Navigation Group owned Billy Carter?</p> <p>MR. DEANGELO: Objection.</p> <p>MR. COX: Objection; leading.</p> <p>Objection; form.</p> <p>MR. DEANGELO: I don't think you meant -- Mr. Cohen, I think you misstated that.</p> <p>MR. COHEN: No. No, I meant Billy Carter.</p> <p>BY MR. COHEN:</p>	<p style="text-align: right;">Page 105</p> <p>Q. I understand.</p> <p>But, look, here's what I'm saying to you, Earl, whatever your recollection is today, and -- and I hundred percent believe you're being totally and completely honest and straight forward. I don't want you to -- to mistake this as me casting a spur on your integrity or your -- your -- your honesty in any way. I'm not.</p> <p>It just -- it seems to me looking at this e-mail where you said that you understood or at least you asked whether your understanding was correct, that VDV was going to be hundred percent owned by Billy Carter. That whether you remember it today or not, in May of 2014, you knew that the owner of VDV was not going to be IP Navigation Group, because IP Navigation Group -- if VDV is owned a hundred percent by Billy Carter, then it cannot, literally cannot be a subsidiary of IP Navigation, right?</p> <p>MR. COX: Objection to form and leading.</p> <p>MR. DEANGELO: Is there -- is there a question?</p> <p>BY MR. COHEN:</p>

1 Q. Well, let's -- let's just go with this
 2 question and forget about everything else: You
 3 agree with me, Earl, that if VDV is 100 percent
 4 owned by an individual person, then it cannot
 5 legally be a subsidiary of another corporate
 6 entity, right?

7 MR. COX: Objection, form.

8 THE WITNESS: Okay. Forgetting
 9 everything else, your question is if Billy Carter
 10 owned VDV, it would not be a subsidiary of
 11 anything else. If that's the -- yeah, you're
 12 right.

13 BY MR. COHEN:

14 Q. Okay. Thank you.

15 A. In this letter here, we're fishing
 16 what's -- who owns what.

17 Q. No, I -- I understand. And, honestly,
 18 like, this is an area -- this is an area that I
 19 am -- I am pleased that I don't have to play in on
 20 the -- on the transaction structuring side, it's
 21 why I'm a litigator, not a -- a contract attorney.
 22 I don't have to deal with --

23 A. Yes.

24 Q. -- things on the front end.

1 monetize for a percentage of revenue and cost was
 2 one that you were familiar with at the time,
 3 right?

4 MR. COX: Objection to form and
 5 leading.

6 THE WITNESS: I don't think I was
 7 familiar with that at that time.

8 BY MR. COHEN:

9 Q. So how did that language end up in your
 10 e-mail if you have never heard of that as a
 11 concept before?

12 A. Now I can't remember all the facts going
 13 into that e-mail. I thought there was a lot of
 14 things they were trying to fish out. I'm trying
 15 to answer the questions that Bob and Bill would --
 16 not Bob, Bob and Dick would have.

17 Q. That's fine.

18 And now I'm going to show you another
 19 e-mail, which is Billy Carter's response to your
 20 e-mail.

21 MR. COHEN: And it's Bates numbered
 22 CB004820. So hold on one second while I pull that
 23 up.

1 And then you say VDV contracts with
 2 IPNav, and there you mean IP Navigation Group, to
 3 license CBV patent, correct? And I'm just leaving
 4 out the parenthetical there. So you're
 5 understanding, at least as of this May 7, 2014,
 6 e-mail, was that VDV would be contracting with
 7 IPNav to do the licensing and monetization work,
 8 right? That's what you say here?

9 A. We're asking questions and trying to
 10 figure it out, what's -- what's going on.

11 Q. Right.

12 And -- and --

13 A. Where things are at.

14 Q. Yep.

15 And you state here that your
 16 understanding -- if they're going to be
 17 contracting out, your understanding is that they
 18 would be doing it for a percentage of revenue and
 19 costs. Do you see that?

20 A. We're asking questions. We didn't know
 21 what was going on.

22 Q. Okay.

23 But at least the concept that there
 24 would be a contract with IP Navigation Group to

1 (CB004820 marked as Exhibit-15 for
 2 identification.)

3 - - -

4 BY MR. COHEN:

5 Q. And you see Billy says that his comments
 6 on your e-mail are highlighted in green below. Do
 7 you see that?

8 A. I see that, yes.

9 Q. Okay.

10 So let's just go to his responses. No.

11 1, you asked whether it was correct that Billy
 12 Carter individually was the 100 percent owner of
 13 VDV, right? What was his answer to that question?

14 A. Yeah, he said that's correct.

15 Q. Okay.

16 And based on what you just told me when
 17 I asked you just generally speaking, if Billy
 18 Carter as a human being was the 100 percent owner
 19 of VDV, then it could not be an IP Navigation
 20 Group subsidiary. Then as soon as he said correct
 21 to that, you knew or at least you were told,
 22 whether or not you processed it, that the
 23 purchasing entity would not be an IP Navigation
 24 Group subsidiary, correct?

<p>1 MR. COX: Objection to form. 2 THE WITNESS: Yeah. That's -- 3 that's what we have to assume, all that, yes. 4 BY MR. COHEN: 5 Q. Okay. 6 And then you asked whether it was going 7 to be correct that VDV would be contracting with 8 IP Navigation Group for a percentage of revenue 9 and costs, right? 10 A. Yeah, I see the answer. 11 Q. And the answer was correct, that's what 12 they were going to be doing. The purchasing 13 entity would be contracting with IP Navigation 14 Group for a percentage of revenue and costs, 15 right? 16 A. Yeah. So he's not consulting, yeah. 17 Q. So -- so the concept that a purchasing 18 entity would be retaining IP Navigation Group as a 19 consultant for a percentage of revenue and costs 20 was in play and specifically told to you that that 21 was how it was going to go way back in May of 22 2014, right? 23 A. I read that differently. I said 20 days 24 from Erich and don't make business decisions</p>	Page 110	<p>1 tell you the truth, I don't remember the memo, 2 but, you know, you can take that any way you want 3 to, yeah. 4 BY MR. COHEN: 5 Q. Okay. 6 And, again, we just -- you just told me 7 that you would have understood that IPNav -- or 8 excuse me -- that VDV was not a subsidiary of 9 IPNav. So if IPNav wasn't getting paid a 10 percentage of revenue and costs and it wasn't the 11 owner, why would IPNav be doing anything at all? 12 MR. COX: Objection, form. 13 THE WITNESS: Well, when we signed 14 the contract, the contract was that this is 15 between IP Navigation and -- and VDV and CBV, so 16 that's what we signed for this stuff. 17 BY MR. COHEN: 18 Q. That was -- that was the -- the 19 nondisclosure agreement was between those 20 entities, right? And the common interest 21 agreement was between those entities. But the 22 patent purchase agreement that you signed, sir, 23 was only with IPDV. The only entity purchasing 24 the patents was IPDV; do you recall that?</p>	Page 112
<p>1 without consulting him, that's all. 2 Q. Okay. 3 So when Billy told -- 4 A. I didn't say I would pay him. I didn't 5 sit there -- you know, he's my partner. It's like 6 saying I talked to Dick Snider, he's 20 feet from 7 me, I don't pay him for being a consultant. 8 Q. So you asked him whether it was correct 9 that VDV would contract with IPNav and pay it a 10 percentage of revenue and cost to do the 11 monetization work, right? 12 A. That's my question. 13 Q. And his answer was correct. Do you see 14 that? He says yes, that's correct, right? 15 A. That's what he says, yes. 16 Q. So is it correct -- is it correct that 17 VDV will retain IPNav for a percentage of revenue 18 and costs and he said yes, that's correct. And 19 you didn't understand that as meaning that VDV 20 would hire IPNav for a percentage of revenue and 21 costs? 22 MR. COX: Objection; form and 23 leading. 24 THE WITNESS: Well, I don't -- to</p>	Page 111	<p>1 A. Well, I don't recall the agreements. 2 There were so many of them. But I would have to 3 look at them. What you're saying, VDV and CBV are 4 the sole signers of the purchase agreement, is 5 that what you're saying? 6 Q. Yes. 7 A. I don't know. 8 Q. Okay. 9 Now, when you were asking about whether 10 it was for a percentage of the revenue and costs, 11 did you have any sense of what the range of -- of 12 percentage of revenues and costs that IP 13 Navigation generally charged was? 14 MR. COX: Objection, form. 15 THE WITNESS: You know what? 16 You're asking a bunch of questions when we were 17 talking about several different deals at the same 18 time here. At this time we were still talking 19 about, you know, Billy buying both companies. So 20 I'm not sure we're trying -- what we're doing 21 here. You got IP clouding included in there. 22 IPNav included in here. So, you know, I'm not 23 sure what kind of deal finally come out of it. 24 But finally with the purchase agreement -- the</p>	Page 113

1 purchase agreement that were not signing on
 2 anybody to do consulting work for the purchase
 3 agreement. These were negotiated about buying --
 4 you know, combining everything, which, you know,
 5 you can see, it turned out very, very complicated.

6 BY MR. COHEN:

7 Q. Well, let's take a look at the actual
 8 purchase agreement that you signed with IPDV.
 9 Okay.

10 MR. COHEN: And this will be --

11 THE WITNESS: Okay.

12 MR. COHEN: This will be

13 Exhibit-16.

14 - - -

15 (Purchase agreement marked as Exhibit-16
 16 for identification.)

17 - - -

18 THE WITNESS: Okay.

19 MR. COX: We're coming up on an
 20 hour and, I think, 15 or 20 minutes. I don't
 21 personally need to eat lunch or anything, I am an
 22 hour before you guys, but just wanted to put it
 23 out there if you guys need a break.

24 MR. DEANGELO: Actually, I was

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 1 going to ask, Mr. Cohen, if you're in a -- when
 2 you're at a break point here, we do -- we have
 3 lunch here, so we won't need a long break, but we
 4 would like a break and have lunch.

5 MR. COHEN: All right. Excellent.

6 Let me ask a couple questions about -- about this
 7 executed patent purchase agreement and we'll --
 8 we'll take a lunch break.

9 BY MR. COHEN:

10 Q. So now, Earl, this is a document Bates
 11 numbered CB005031, and it rolls pretty far along.
 12 And so I'm just going to take you right now to the
 13 signature page on this. And do you see that's
 14 your signature there on the signature page, which
 15 is Page 12, right?

16 A. Right.

17 Q. And so now looking up at the top, can
 18 you tell me, who are the parties to this patent
 19 purchase agreement?

20 A. We've got CV and we've got BDV -- you
 21 know, BDV.

22 Q. Right.

23 Just -- just those two entities, right?

24 A. Yup.

1 Q. Okay.

2 And, again, you have been told by now
 3 that VDV is 100 percent owned by Billy Carter and
 4 not a subsidiary of IP Navigation Group, right?

5 A. Well, the confusion is why he put down
 6 himself as manager versus CEO or president.

7 Q. And if we see here under net recoveries,
 8 this is -- this has that language of which the
 9 parties mutually agree are required, right? Same
 10 time as the -- in net recoveries. Do you see
 11 that?

12 A. Yeah. Yeah, I see that.

13 Q. And then if we scroll down just a bit
 14 further, we see that there was mutual NDA and this
 15 is that mutual NDA between IPDV, IP Navigation
 16 Group, LLC, and CBV, Inc. that you were shown in
 17 sort of draft form in an earlier exhibit.

18 Do you see that?

19 A. Yes.

20 Q. Okay.

21 A. And that's because IP Navigation Group
 22 was going to need to get information, right, for
 23 purposes of its patent monetization work that it
 24 needed to make sure it was privileged, correct?

1 A. Yeah. There was something to do with --
 2 right for everybody to be able to see the
 3 information.

4 Q. Right.

5 A. And then Exhibit C is a common interest
 6 agreement that's also, again, between VDV, CBV,
 7 and IP Navigation Group. Do you see that?

8 A. Yeah.

9 Q. And it says here, do you see in Section
 10 1.1, that IP Navigation Group is going to be
 11 acting as the worldwide intellectual and property
 12 enforcement and licensing agent of the purchaser
 13 and will be providing services for the
 14 monetization. Do you see that?

15 A. Yes.

16 Q. So putting that all together, you were
 17 told by Billy Carter's e-mail that IPDV was not a
 18 subsidiary of IP Navigation Group. You were told
 19 that it was correct -- so putting together all of
 20 what we -- what we just went through and then we
 21 can take a lunch break, you were told by Billy
 22 Carter's e-mail that IPDV was a hundred percent
 23 owned by Bill -- by Billy Carter and therefore not
 24 a subsidiary of IP Navigation Group. You were

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1 told by Billy Carter's e-mail that it was correct
 2 that IPDV would be retaining IP Navigation Group
 3 to do the patent monetization work for a
 4 percentage of the revenues and costs. And you
 5 were told in this common interest agreement that
 6 that was, in fact, going to happen, IP Navigation
 7 Group would, in fact, act as the worldwide
 8 intellectual property enforcement and licensing
 9 agent of the purchaser, which was IPDV and will
 10 be providing services relating to the patent
 11 monetization, correct?

12 MR. COX: Objection to form.

13 THE WITNESS: Well, how you are
 14 going to get the job done, that's really up to
 15 Billy Carter because he's VDV. The contract
 16 basically says that I have to give permission for
 17 him to spend money on that. He can get anybody he
 18 wants to and do whatever kind of deal he wants,
 19 but, well, now he charges me. No, we did not give
 20 any verbal or signed agreement that we would pay a
 21 certain percentage to anybody else. And that was
 22 written into the PPA early on to make sure that
 23 didn't happen.

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1 BY MR. COHEN:

2 Q. Okay.

3 A. If Billy wants to pay somebody in IP
 4 Navigation out of his pocket, so be it.

5 MR. COHEN: Okay. I've got --
 6 well, I was going to say nothing further, but
 7 that's the wrong thing for a break. Let's take a
 8 break here and we can come back. How long do you
 9 guys need for lunch?

10 THE WITNESS: Okay.

11 MR. DEANGELO: Half an hour would
 12 be great.

13 MR. COHEN: Okay. So let's be back
 14 at 1:25. Hold on. Coleen, Ken, does that work
 15 for both of you? Because really, Coleen, you're
 16 the most important person here, so...

17 MR. COX: Can you add your exhibits
 18 to -- either send it to Coleen or add it to the
 19 exhibit link so that we can access them?

20 MR. COHEN: I think Ken's been
 21 doing that.

22 VIDEOGRAPHER: Off the record,
 23 12:53 p.m.

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1 (Whereupon, luncheon recess was held off
 2 the record.)

3 - - -
 4 VIDEOGRAPHER: Welcome back,
 5 everyone. Looks like everyone is back from lunch.

6 MR. COHEN: Yes, sir.

7 VIDEOGRAPHER: We're going back on
 8 the record. Time is 1:26 p.m.

9 BY MR. COHEN:

10 Q. Earl, thank you for coming back. I'm
 11 sure there was a temptation to just leave and be
 12 done with this, I know I have that temptation
 13 every so often, so I appreciate it.

14 I'm going to show you a document that
 15 we're going to mark as Exhibit-17.

16 - - -
 17 (E-mail marked as Exhibit-17 for
 18 identification.)

19 - - -
 20 BY MR. COHEN:

21 Q. Which is an e-mail that begins with
 22 Bates No. CB005414.

23 Do you see this?

24 A. Yes.

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1 Q. Okay.

2 And do you see that on July 3, 2014, you
 3 were reaching out and asking if Billy had a
 4 projected closing date for the PPA that you had
 5 entered with him, right?

6 A. Yes.

7 Q. Okay.

8 A. This is all spelled the same.

9 Q. Yes, you did.

10 Well, you went with -- you went with a
 11 weird spelling with a K when he's got the weird
 12 spelling with the C-H. I understand where that
 13 miss came from.

14 And if you look at .4 in Billy's
 15 response, he says they'll have completed their due
 16 diligence by the end of the week. Do you see
 17 that?

18 A. Okay. I see that, yes.

19 Q. And then I will show you a document,
 20 another document. Hold on. And this is a
 21 document, and I know it hasn't popped up yet, but
 22 it's a document that's Bates numbered IPN0019376.

23 MR. COHEN: And that's going to be
 24 Exhibit-18.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24	Page 122 - - - (Bates IPN0019376 marked as Exhibit-18 for identification.) - - - BY MR. COHEN: Q. And that document, you see is an e-mail from you to Erich and Deirdre and Billy on July 28, 2014. Do you see that? A. Yes. Q. And you should be proud, you got Erich's name spell correctly on this one, so well done. And you see he says -- you say there that you were disappointed to hear from Umesh on Friday that there wasn't any interest in pursuing the CBV patents. Do you see that? A. I see that. Q. And do you recall that at some point in July or towards the end of July, you were told that IPDV would not be closing on the purchase of the CBV patents? A. We were told just -- which we did two things. One, we had Pat King talk to Umesh and we called Erich, we being Bob and myself. Q. And then we talked a bit -- earlier in	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24	Q. Okay. And you don't recall having any discussions with Erich about IP Navigation's fee; is that correct? A. Yeah. We had no discussion about IP Navigation having a fee. Surprising that discussion would not have come up over the year. Q. Well, I mean, we did see your e-mail earlier where you did discuss IPNav having a fee, right?
		11 12 13 14 15 16 17 18 19 20 21 22 23 24	MR. COX: Objection, form. THE WITNESS: That was -- you know, that was way early.
		14 15 16 17 18 19 20 21 22 23 24	BY MR. COHEN: Q. When you say way early --
		16 17 18 19 20 21 22 23 24	A. I think that -- I think that memo that you had was in 2013, wasn't it?
		18 19 20 21 22 23 24	Q. No. Let's -- let's go back to that one. Hold on. So this is -- well, you're right there was an initial e-mail from Deirdre, who had told you that IP Navigation's structure was it got a fee on the gross proceeds, right, that was at the very start of the relationship, right?
		24	A. Yeah. I understand that, yes.
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24	Page 123 your deposition you testified about a phone call that happened on August 4th of 2014, so just about a week later, correct?	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24	Page 125 Q. Okay.
	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24	Q. And then on May 7, 2014, Billy confirmed again that it was correct that the plan was for	
	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24	VDV to contract with IPNav for a percentage of revenue and costs, right?	
	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24	A. You can read into that, but at that time the questions were what's all included in this	
	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24	deal.	
	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24	Q. Okay.	
	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24	A. The NDA and so forth of the contract,	
	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24	which was after all our discussions about having IceWebb and IP clouding and all that deal put	
	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24	together.	
	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24	Q. Okay.	
	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24	MR. COHEN: And then I'm just going	
	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24	to mark this as Exhibit-19 because let's just have	
	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24	it for -- so that we're -- we're aware of the	
	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24	timeline.	
	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24	- - -	
	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24	(E-mail marked as Exhibit-19 for identification.)	
	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24	- - -	
	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24	BY MR. COHEN:	
	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24	Q. That -- that e-mail that we talked about	

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1 where Billy said correct, IPVDV will be obtaining
 2 IPNav for a percentage of the gross proceeds was
 3 May 7th. You can see this is Exhibit-19. It's an
 4 e-mail from Mike Hund to Margo Alpert and Lilian
 5 Shaked and you're CC'd on it, provided the version
 6 of the agreement executed by CBV. Do you see
 7 that?

8 A. Okay. I see that, yeah, from Mike Hund.

9 Q. So you signed -- when we're talking
 10 about, you know, how long it was between when you
 11 were told, yeah, the deal structure is IPVDV will
 12 be retaining IP Navigation for a percentage of the
 13 gross proceeds and when you signed it, that e-mail
 14 was on May 7th, and you signed it or at least it
 15 was sent over, on May 20th. So something less
 16 than two weeks went by between those two events,
 17 right?

18 A. Well, difference between May 7th and
 19 20th. May 20th is the -- the final agreement of
 20 sale of the patents or whatever you call it, the
 21 execution of the PPA. The May 7th, we were still
 22 negotiating and talking about some fancy deal
 23 which included IP -- IPWebb and IPclouding and all
 24 that stuff. So that -- that's still kind of up in

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1 the air.

2 Q. Did anybody --

3 A. You can't -- you can't draw a direct
 4 line from Point A to Point B, not in my opinion.

5 Q. Okay.

6 Did anybody say to you at any point
 7 between May 7th and May 20th, hey, listen, Earl,
 8 actually IP Navigation is going to work for free?

9 MR. COX: Objection to form.

10 THE WITNESS: Nobody said IP --
 11 anybody is going to work for free, yeah.

12 BY MR. COHEN:

13 Q. Okay.

14 Did anybody say to you, the deal
 15 structure is no longer that IPVDV will be
 16 retaining IPNav for a percentage of the gross
 17 proceeds?

18 MR. COX: Objection to form.

19 BY MR. COHEN:

20 Q. And costs?

21 MR. COX: Objection to form.

22 THE WITNESS: Well, what happened
 23 then was the whole deal about combining things
 24 together just went away because we agree we'd just

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1 do the PPA. So now we're back to just the PPA.

2 BY MR. COHEN:

3 Q. Okay.

4 Did anybody talk to -- did anybody tell
 5 you that the deal for just for PPA would have a
 6 different structure of a relationship between
 7 IPVDV and IP Navigation Group?

8 MR. COX: Objection to form.

9 THE WITNESS: I don't think anybody
 10 mentioned that.

11 BY MR. COHEN:

12 Q. That was you don't think anybody
 13 mentioned that, right?

14 A. The PPA was different than all the other
 15 discussions where they handled a bunch of other
 16 companies.

17 Q. I'm asking a different question.

18 A. Okay.

19 Q. Did anybody tell you that when you were
 20 doing the PPA, that the relationship between IPVDV
 21 and IP Navigation was going to be different from
 22 what had been previously discussed with you in
 23 that e-mail on May 7th?

24 MR. COX: Objection to form.

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1 THE WITNESS: The -- the PPA that
 2 we discussed did not outline or talk about what
 3 role IP Navigation would play, period.

4 BY MR. COHEN:

5 Q. Well, the common interest agreement
 6 attached as an exhibit to the PPA, in which you
 7 signed on that same day, specifically said that IP
 8 Navigation was going to be the patent monetization
 9 agent IPVDV, did it not?

10 A. That's what the common agreement said.
 11 You asked me -- one question was -- was anybody
 12 discussed that, that's different than what the
 13 common interest agreement said, yes.

14 Q. And what I'm asking you now is: Given
 15 that you knew at the time you executed that PPA on
 16 May 20th of 2014, that IP Navigation Group would
 17 be the patent monetization agent for IPVDV as it
 18 purchased those patents, had anybody told you that
 19 it would be doing it under any structure, other
 20 than getting paid a percentage of the gross
 21 revenues?

22 MR. COX: Objection, form.

23 THE WITNESS: Nobody mentioned
 24 anything about gross revenues.

<p>1 BY MR. COHEN</p> <p>2 Q. Okay.</p> <p>3 A. It was a done deal between VDV and</p> <p>4 Erich, what they're doing, but nobody mentioned</p> <p>5 that it's going to be a fee based on gross</p> <p>6 revenues in any of the discussions.</p> <p>7 Q. Well, Billy mentioned that to you in</p> <p>8 that e-mail we looked at, he said, correct, it</p> <p>9 will be that fee.</p> <p>10 Now, I know that you're saying, well,</p> <p>11 that was for the -- for the more complex deal.</p> <p>12 And I don't whether I agree with that recollection</p> <p>13 looking at the documents, but it doesn't matter.</p> <p>14 I'm asking you a different question.</p> <p>15 Did anybody tell you that it was going</p> <p>16 to be different? I'm not asking whether anybody</p> <p>17 told you it was going to be the same. I know you</p> <p>18 said a couple of times, nobody told you anything.</p> <p>19 I'm asking, did anybody specifically tell you,</p> <p>20 well, now that this is just for the patents, it's</p> <p>21 different?</p> <p>22 MR. COX: Objection to form,</p> <p>23 leading.</p> <p>24 <u>THE WITNESS: The way you phrased</u></p> <p>1 it, no, I don't think anybody discussed that.</p> <p>2 BY MR. COHEN:</p> <p>3 Q. Okay. I appreciate that.</p> <p>4 Okay.</p> <p>5 Let's take a look at a document that's</p> <p>6 Bates numbered IPN42965. So hold on one second.</p> <p>7 - - -</p> <p>8 (E-mail marked as Exhibit-20 for</p> <p>9 identification.)</p> <p>10 - - -</p> <p>11 BY MR. COHEN:</p> <p>12 Q. And do you see this starts with an</p> <p>13 e-mail from you to Erich on August 5th?</p> <p>14 A. Yes.</p> <p>15 Q. Okay.</p> <p>16 And you're talking about the revised</p> <p>17 deal. Do you see that?</p> <p>18 A. Where are you pointing to now?</p> <p>19 Q. You're talking about what the changes</p> <p>20 were?</p> <p>21 A. Yeah.</p> <p>22 Q. Right.</p> <p>23 And here's that change from 7 -- from</p> <p>24 1.5 million to 750 that you guys were talking</p>	<p>Page 130</p> <p>1 about before, right?</p> <p>2 A. Right.</p> <p>3 Q. And then when you start getting your --</p> <p>4 your fee changes because they get -- they get</p> <p>5 basically two X of that back, correct?</p> <p>6 A. I understand that, yeah.</p> <p>7 Q. Okay.</p> <p>8 And then the purchaser is going to be a</p> <p>9 different entity, not VDV, correct?</p> <p>10 A. Yes.</p> <p>11 Q. Okay.</p> <p>12 And then Erich says, we're going to send</p> <p>13 it back to you and the entity name might change</p> <p>14 and also there might be some changes thanks to the</p> <p>15 clouding issue, right?</p> <p>16 A. Yeah.</p> <p>17 Q. Okay.</p> <p>18 And then later on that day, you say,</p> <p>19 look, you got a -- you got a modified agreement</p> <p>20 and it still shows VDV in there. And Erich says,</p> <p>21 we are just getting the name right, right? On --</p> <p>22 on their end, either Deirdre was going to buy VDV</p> <p>23 from Billy or she was going to basically set up a</p> <p>24 new entity and it would be a different entity,</p> <p>1 right?</p> <p>2 A. Yeah. I understand that, yes.</p> <p>3 Q. Okay.</p> <p>4 And was there anything in these</p> <p>5 communication that is suggested to you that IP</p> <p>6 Navigation Group, LLC or IPNav, LLC would have any</p> <p>7 ownership interest in whether it was IPVDV or</p> <p>8 ChanBond at all?</p> <p>9 A. Can we scroll up?</p> <p>10 Q. Up? This is as high as it goes.</p> <p>11 A. No. I mean just scroll down. I'm</p> <p>12 sorry. Down. Yeah. Okay.</p> <p>13 Q. Just tell me when to stop.</p> <p>14 A. In the discussions I had with Erich, you</p> <p>15 know, going back and forth, my understanding was</p> <p>16 that the deals would be turned over to Deirdre.</p> <p>17 Billy would be out. It would be a different name</p> <p>18 other than VDV. It was not clear at that time</p> <p>19 that there was an IPNav or IP Navigation, that was</p> <p>20 not made clear until later. So --</p> <p>21 Q. Can I ask you -- sorry. Can I ask you:</p> <p>22 Did it matter to you whether it was IP Navigation</p> <p>23 or IPNav, LLC that was going to be the advising</p> <p>24 agent?</p> <p>Page 132</p> <p>Page 133</p>
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1 A. Well, whether it's IPNav or IP
 2 Navigation, I talked to Mike about that and the
 3 feeling was there should be a difference between
 4 what it is.

5 Q. Either way, you were getting -- you were
 6 getting services from Deirdre and you were happy
 7 enough with that, right?

8 A. I was getting services from somebody,
 9 yeah.

10 Q. Okay.

11 A. That's what they're getting paid for.
 12 They're getting 50 percent of the net, so they
 13 should do something.

14 Q. And, in fact, you were eventually told
 15 very specifically that it was going to be IPNav,
 16 LLC, and not IP Navigation Group, LLC, correct?

17 A. I might have been told very
 18 specifically. I did not understand that until we
 19 saw the last PPA and in which I asked Mike what
 20 was going on. He said, hey, she formed her own
 21 company.

22 Q. Okay.

23 So I'm going to show you a document that
 24 is -- yeah. So a document that is Bates numbered

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 1 IPN0047479. And this is a red line -- and I'm
 2 sharing it now. This is a red line of the draft
 3 patent purchase agreement that was shared with
 4 your -- your folks and it's dated October 19,
 5 2014.

6 - - -

7 (Patent purchase agreement marked as
 8 Exhibit-21 for identification.)

9 - - -

10 BY MR. COHEN:

11 Q. Do you see it?

12 A. Yeah. I see it, yeah.

13 Q. Okay.

14 And now if we scroll down to the
 15 nondisclosure agreement, you can see that there's
 16 a red line that changes IP Navigation Group, LLC
 17 to IPNav, LLC. Do you see that?

18 A. Yes.

19 Q. Okay.

20 And then if you scroll down a little
 21 further and look at the common interest agreement,
 22 you can see that that same change is made to the
 23 common interest agreement. So IPNav, as used in
 24 the common interest agreement, they're telling you

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1 is now going to be IPNav, LLC, not IP Navigation
 2 Group, LLC, right?

3 A. Yup.

4 Q. And, again, it says -- it says that
 5 IPNav, meaning IPNav, LLC now will act as the
 6 worldwide intellectual property enforcement and
 7 licensing agent for the purchaser, which here is
 8 now ChanBond instead of IPVDV, right?

9 A. I see that's what it says, yeah.

10 Q. Yeah.

11 So basically by mid October, Deirdre had
 12 settled on the structures of the entities that
 13 would be doing this purchase and then the
 14 advising, right? So ChanBond was going to be
 15 doing the purchase and IPNav, LLC was going to be
 16 the entity doing the advising, right?

17 MR. COX: Objection to form.

18 THE WITNESS: That's what it says,
 19 yeah.

20 BY MR. COHEN:

21 Q. And just to be clear, it doesn't just
 22 say that in -- you know, they passed along a
 23 contract that suddenly changed the entity names,
 24 they gave you a red line that specifically called

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1 out that it wasn't going to be IP Navigation
 2 Group, LLC, it was going to be IPNav, LLC, right?

3 A. Yeah. That was the proposed --

4 Q. And -- and that's then how it stayed
 5 from October of 2014, until April --

6 A. That was not an agreement. At that time
 7 I passed on the whole thing, so...

8 Q. Right.

9 But that's -- but that's -- yeah.

10 But that language stayed in from
 11 October 2014, until April of 2015, when you signed
 12 the ultimate patent purchase agreement with
 13 ChanBond, right?

14 A. I believe so, yeah.

15 Q. And then do you recall that through sort
 16 of November and December and January, Deirdre was
 17 basically looking for funding to enable her to --
 18 to complete this purchase?

19 A. Yes, because I told her I was not
 20 satisfied with the fact that we got drug on so,
 21 she said she would get the funding.

22 Q. And so now I am just going to take a
 23 look at -- hold on. I just have to find it in my
 24 documents. It's CB005793.

<p>1 MR. COHEN: And we'll mark this one 2 as Exhibit-22. 3 - - - 4 (CB005793 marked as Exhibit-22 for 5 identification.) 6 - - - 7 BY MR. COHEN: 8 Q. And do you see she says she got a -- a 9 voice mail from you and Bob Stine? 10 A. Okay. 11 Q. She says she apologized that it's been 12 dragging on longer than even she wanted it to. Do 13 you see that? 14 A. Yeah. 15 Q. Does that refresh your recollection that 16 by November 20th of 2014, you guys were 17 effectively on board with, in some form or 18 another, a sale to Deirdre in ChanBond, right? 19 A. I see it, yeah. I remember that one. 20 Q. Okay. 21 And she says she secured financing. 22 She's due a term sheet and she's hoping that she 23 can close in early December, right? 24 A. Right.</p>	<p>Page 138 1 that there was an amendment where you guy got paid 2 \$200,000 for giving up a reversionary right, 3 correct? 4 A. Yeah. That \$200,000 for the amendment, 5 yes. 6 Q. Okay. 7 And by the way, was that what you meant 8 when you said there were three patent purchase 9 agreements, there's the one with IPVDV and then 10 there's the one you ended up signing with ChanBond 11 and then there was the amendment to that 12 afterwards? 13 A. Well, to me there was three, there was 14 two with Billy, which I mentioned in the third 15 PPA. The third PPA we signed with Deirdre, said 16 the first two were null and voided. 17 Q. Okay. 18 A. That's one of those lines in there. 19 Q. Yeah. 20 We can take a look at that in a little 21 bit. My memory is that there was only one signed 22 with Billy and only one that was described as null 23 and void, but I don't think it makes much of a 24 difference one way or the other, so we'll get to</p>
<p>1 Q. And I apologize, but we're going to walk 2 through some of these communications just in terms 3 of how the timing of this worked it's way out. 4 MR. COHEN: So 23 is going to be 5 documents Bates number CB005799. 6 - - - 7 (CB005799 marked as Exhibit-23 for 8 identification.) 9 - - - 10 BY MR. COHEN: 11 Q. And do you see early December you asked 12 about a projected closing date? 13 A. Yes. 14 Q. And then she responded that is she 15 basically working with her investors and it's 16 going to be January before that -- before they can 17 actually close, right? Do you recall that? 18 A. Yeah. I read that, yeah. 19 Q. Okay. 20 And eventually, by the way, you ended up 21 having to do a deal with no up-front payment for 22 the -- for the patents, correct? 23 A. Yes. 24 Q. And then -- and then eventually after</p>	<p>Page 139 1 that -- we'll get to that shortly. 2 So -- and then we're going to take a 3 look at an e-mail that is Bates numbered CB005804. 4 - - - 5 (CB005804 marked as Exhibit-24 for 6 identification.) 7 - - - 8 BY MR. COHEN: 9 Q. Okay. 10 And you see it starts with an e-mail 11 dated December 10th. Oh, no. Wait. This goes 12 back to -- sorry -- your e-mail, December 8th. Do 13 you see that? 14 A. Yup. 15 Q. And you then say you're worrying about 16 the priorities of the project and the selection 17 of -- of IPNav. Do you recall that? 18 A. Yes. 19 Q. And so December or so is where you start 20 thinking, well, maybe IPNav isn't the right -- 21 isn't the right partner on this, right? 22 A. That's correct. 23 Q. Okay. 24 And then Deirdre responds and she says,</p>

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1 you know, she understands, she's pressing her
 2 funders to try and get this done, right?

3 A. Yeah.

4 Q. And she explains to you that it's part
 5 of a larger deal structure that she's working on
 6 and CBV is only one part of it in terms of what
 7 she is dealing with the funders for. And so while
 8 she is trying to get them to fund the CBV
 9 acquisition on its own, they are not doing it,
 10 right?

11 A. Yeah. I see it.

12 Q. Okay.

13 And then she says that in terms of
 14 IPNav's work, she is treating it as a closed deal
 15 and is working up claim charts and mapping out
 16 targets, et cetera, et cetera.

17 Do you see that?

18 A. Yeah.

19 Q. Okay.

20 And now, this again, is in
 21 December 10th -- on December 10, 2014, so it's
 22 after that October 19th e-mail -- after that
 23 October 19th red line that we saw earlier, right?

24 A. Yes. She's still working on the deal.

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1 Q. Right.

2 And so by that point, the patent
 3 monetization advisor that she's referencing when
 4 she says IPNav is working up claim charts and
 5 mapping out targets and doing all sorts of
 6 monetization work, is IPNav, LLC, not IP
 7 Navigation Group, LLC, right?

8 MR. COX: Objection to form.

9 THE WITNESS: The claim charts were
 10 provided to her. We did that.

11 BY MR. COHEN:

12 Q. Okay.

13 Well, she says here she's continuing to
 14 work up claim charts, right? Do you see that?

15 A. Yeah.

16 Q. And I know you didn't -- you said
 17 earlier you weren't sure what Deirdre or Billy had
 18 done. Is it possible that she continued to work
 19 up claim charts and get them into shape for things
 20 like FRE408 settlement discussions with potential
 21 targets that you just didn't have insight into?

22 MR. COX: Objection to form.

23 THE WITNESS: She can work on
 24 whatever she wants to work on trying to get the

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1 deal done, I guess. The claimant charts were done
 2 by two patent firms, Camamasol and Barns &
 3 Thornburg. So she had claim charts on all the
 4 patents.

5 BY MR. COHEN:

6 Q. Yes.

7 And -- and your understanding is
 8 whatever claim charts got used after that were the
 9 same ones from Buchanan & Ingersoll?

10 A. I don't know what claim chart she used.

11 Q. Okay.

12 But either way, she's saying IPNav, and
 13 by that point she had already red lined that to
 14 IPNav, LLC, was continuing to work on this, even
 15 though the deal hadn't closed yet, right?

16 MR. COX: Form.

17 THE WITNESS: I can understand
 18 that, she's trying to get the deal closed, yes.

19 BY MR. COHEN:

20 Q. A hundred percent.

21 Q. Okay.

22 And then you respond that the CBV team
 23 still believes IPNav is the best team to go
 24 forward, so let's target early January. Do you

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1 see that?

2 A. Right.

3 Q. Am I correct in understanding that your
 4 locution of the CBV team means your partners were
 5 more gung ho on IPNav than you were at that point?

6 A. I think you're using terms I wouldn't
 7 agree with.

8 Q. How so?

9 A. I agree at that time that IPNav was the
 10 best team to go forward. We didn't have a -- an
 11 alternative. We found one a little bit later, but
 12 we didn't have an alternative at that time.

13 Q. Okay. All right.

14 And then let's take a look -- and -- and
 15 just to be clear, you understood that even if
 16 ChanBond, LLC or some other special purpose entity
 17 was going to be doing -- was going to be buying
 18 the patents, they would be retaining IPNav, right?

19 MR. COX: Objection to form and
 20 leading.

21 THE WITNESS: What do you mean
 22 retaining IPNav? IPNav would do some work, yeah,
 23 but they getting the money, so...

24 BY MR. COHEN:

1 Q. You said that a couple times, you said
 2 IPNav is getting money. You know what, let's --
 3 let's take a look at the actual PPA, which I
 4 believe was already marked as Exhibit-5, was it,
 5 or was that Exhibit-1?

6 MR. COX: I believe it's Exhibit-1.

7 BY MR. COHEN:

8 Q. Okay. So hold on. Let me just pull up
 9 the PPA. All right. So let's just take a look at
 10 the PPA and I have pulled up a version of this
 11 document that I have on my computer, rather than
 12 the previously-used version, but we don't need to
 13 mark it as a -- a separate exhibit. Exhibit-1 can
 14 be the -- the version of it.

15 So taking a look at this, right, this is
 16 the patent purchase agreement you eventually
 17 executed on April 9, 2015, right?

18 A. Correct.

19 Q. And that is between CBV, Inc., as the
 20 seller and ChanBond, LLC, as the purchaser, right?

21 A. Right.

22 Q. Okay.

23 A. There's the two patents.

24 Q. Oh, yeah. It does -- it does say two.

1 I don't know that I have ever seen an October 26th
 2 one that was signed, but it does say two. You are
 3 correct and my memory was wrong, so way to go.

4 And then if we come here, net
 5 recoveries. This is the section that
 6 determines -- that defines what CBV gets paid on
 7 net recoveries, right?

8 A. That's correct.

9 Q. Okay.

10 A. And then consideration, it says you get
 11 a possible future cash payment, right? Do you see
 12 that? And that is No. 1, you get a million
 13 dollars as a hundred percent of the net
 14 recoveries, right?

15 A. Right.

16 Q. And then you get 50 percent of any net
 17 recoveries that ChanBond actually collects, right?

18 A. Right.

19 Q. And the other 50 percent of that,
 20 ChanBond gets to keep, right?

21 A. Right.

22 Q. Okay.

23 A. And you just said ChanBond gets to keep
 24 that other 50 percent and that's right, because

1 ChanBond is -- is the purchaser.

2 Where in this patent purchase agreement
 3 does it say anything about IPNav, LLC getting
 4 50 percent?

5 A. ChanBond is owned by Deirdre and IPNav
 6 is owned by Deirdre, so one in the same. One is
 7 my right pocket, one is my left pocket. So put
 8 money in one is the same as putting money in the
 9 other.

10 Q. Okay.

11 So -- but you know that they're two
 12 separate entities, right? Yes?

13 A. Two separate entities owned by the same
 14 person, yes.

15 Q. Correct.

16 And you knew that at the time, right?

17 A. Yeah. I knew there was two separate
 18 entities and two -- the same person, yeah.

19 Q. Okay.

20 A. So --

21 Q. And you knew -- and you knew that based
 22 on the common interest agreement, that IPNav, LLC
 23 was going to be ChanBond, LLC's IP enforcement and
 24 licensing agent, right?

1 A. So are you say that Deirdre contacted
 2 herself or another -- yeah, it's one in the same
 3 person, so...

4 Q. Okay.

5 A. You're asking me that -- do I agree
 6 that's one in the same person signed, no. It says
 7 that's not possible.

8 Q. Well, right now -- right now I'm just
 9 asking, you knew that IPNav was going to be the
 10 enforcement and monetization agent for ChanBond,
 11 right?

12 A. Yes. That's what it says. That's
 13 correct.

14 Q. Okay.

15 I apologize, this is a very long
 16 agreement and there is a provision here that I
 17 wanted to get to, so hold on.

18 Now, Section 8.3 says that you have the
 19 right to consent to a change of control of the
 20 seller, right?

21 A. Yes.

22 Q. Okay.

23 And you understand that there came a
 24 time when Deirdre --

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1 A. Because also we'd get written -- written
 2 notes from the seller.
 3 Q. You -- you understand that there came a
 4 time when Deirdre Leane sold 100 percent of her
 5 membership interest in ChanBond to UnifiedOnline,
 6 Inc., right?

7 A. Yes.

8 Q. Sorry. Go ahead. I apologize. You
 9 were continuing your answer. You said yes?

10 A. Yes. We had a deal with UIP for common
 11 interest, so she was planning to sell it to UIP
 12 from day one.

13 Q. And CBV consented to that change of
 14 control, right?

15 A. No.

16 Q. No?

17 A. We didn't know about it and the only way
 18 we found out about it was on the Internet under
 19 the stockholders -- what do you call it? Where
 20 they comment back and forth. We didn't know about
 21 it. The lawyers didn't tell me. Billy didn't
 22 tell us. Deirdre didn't tell us. We had to find
 23 out from the massage board that it was sold to
 24 UIP.

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1 Q. Okay.

2 A. That's pretty unprofessional,
 3 personally.

4 Q. Well, did CBV ever approve that
 5 transaction?

6 A. No. We never even saw it.

7 Q. Okay.

8 So as far as -- as far as --

9 A. I never saw a copy, never got a copy.

10 Q. Okay.

11 So as far as CBV is concerned, does it
 12 object to Deirdre having sold the membership
 13 interest to Unified?

14 A. At that time we probably would not have
 15 objected because we knew Billy.

16 Q. Okay.

17 And eventually you came to understand
 18 that it had been sold to Unified, correct?

19 A. Yes. Eventually we did.

20 Q. Okay.

21 And at that point when you did come to
 22 understand, did you object?

23 A. We objected that we didn't get a copy of
 24 it because we didn't know what else was in there.

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1 And, unfortunately, we were told by KWM that we
 2 were -- we don't get a copy of the agreement. So
 3 I asked my lawyer to talk to KWM and -- and was
 4 told the same thing, so we didn't get a copy of
 5 it.

6 We finally got a copy of the agreement,
 7 partial copy of the agreement, but none of the
 8 attachments off the Internet.

9 Q. And after you got that, did you notify
 10 Unified or ChanBond that you objected to the
 11 change of control?

12 A. We called Billy and tried to get the
 13 understanding of what was going on. We did not
 14 object to Billy because we didn't know everything
 15 that was going on. What we had didn't seem to be
 16 anything detrimental to us, but we didn't see all
 17 the attachments that came later.

18 Q. Okay.

19 And you have seen all the attachments
 20 now, right?

21 A. No, we have not seen all the
 22 attachments. That was KWM and -- those
 23 attachments we never saw.

24 Q. Those weren't attachments to the

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1 interest settlement?

2 A. Those were -- those are exhibits, right?

3 Q. I think there was a list of -- of
 4 ChanBond's agreement, but I don't know that those
 5 were specifically attached.

6 So I guess let me ask you this: After
 7 all that, once you -- once you understood that
 8 Unified had bought all of the interest from
 9 Billy -- hand on -- excuse me. Strike that.

10 Once you understood that Unified had
 11 bought all of the interest in ChanBond from
 12 Deirdre, did you agree that that was fine or did
 13 you object?

14 A. The question was did we agree that's
 15 fine? No. Did we object? No.

16 Q. Okay.

17 Did you have any intention to object?

18 A. To the sale?

19 Q. To the sale.

20 A. I would have to leave that up to my
 21 attorney.

22 Q. All right.

23 I'm going to show you another document.

24 Hold on one second.

<p>1 MR. COHEN: It's a document Bates 2 numbered IPN0055256. 3 - - - 4 (IPN0055256 marked as Exhibit-25 for 5 identification.) 6 - - - 7 BY MR. COHEN: 8 Q. And you see this is an e-mail from you 9 in April, at least this e-mail at the bottom of 10 the first page of it is an e-mail from you on 11 April 2, 2015, saying you are going to have your 12 attorney provide you with final comments on the 13 draft PPA and that you still have some 14 reservations. 15 Do you see that? 16 A. Yeah. 17 Q. And you were talking about maybe the 18 portfolio value should be based on buyers 19 obtaining market share, rather than litigation 20 value, right? See that? 21 A. Yeah. Okay. I'm sorry. The print is 22 kind of small, so I just -- 23 Q. Yeah. No. It's -- unfortunately, when 24 this was --</p>	<p>Page 154</p> <p>1 A. Yup. 2 Q. And then she says, patents are a 3 different beast and while they carry value on a 4 company's books -- well, actually she says whilst 5 cause she's Irish -- they carry value on a 6 company's books, they are not necessarily utilized 7 for increasing market share. Do you see that? 8 A. Yes. 9 Q. And then, you know, she goes on to talk 10 about net recoveries. 11 And I guess the question that I have for 12 you, Earl, is in your dealings with Deirdre, did 13 you get the sense that Deirdre understood the 14 technology? 15 A. I think she understands it pretty good. 16 I don't think she understood it in detail. She 17 ended up being -- working for Technicolor. So she 18 had a, I would say, reasonable understanding about 19 the technology. 20 Q. Okay. 21 And she understood the patents and -- 22 and the claims, right? 23 A. Yeah. I think she would have to. 24 Q. Yeah.</p>
<p>1 A. Yeah, I understand. 2 Q. The PDF -- the PDF for production, it 3 degraded for some reason. I don't know why. It's 4 been an issue. 5 And if you take a look, Deirdre responds 6 and she says she added her thoughts and expertise, 7 in caps next to each section. Do you see that? 8 A. Yeah. Have a good Easter break, yeah. 9 Q. And -- and she talks about -- she then 10 goes through your point by point. And then she 11 says, Earl, all of the above is correct and you 12 make valid points. What one needs to keep in mind 13 is that ChanBond patents are only one of thousands 14 of applicable technology to the above industry and 15 represents a tiny fraction of thousands of 16 patents. No one portfolio is going to have a huge 17 uplift on market share. Do you see that? 18 A. Yup. 19 Q. And you see, and if they wanted an 20 uplift in market, they should acquire Z-Band with 21 the license back to operate in the space. 22 Acquisition and merger is the way forward. Z-Band 23 will be well placed. 24 Do you see that?</p>	<p>Page 155</p> <p>1 A. Yeah, I understand. 2 Q. The PDF -- the PDF for production, it 3 degraded for some reason. I don't know why. It's 4 been an issue. 5 And if you take a look, Deirdre responds 6 and she says she added her thoughts and expertise, 7 in caps next to each section. Do you see that? 8 A. Yeah. Have a good Easter break, yeah. 9 Q. And -- and she talks about -- she then 10 goes through your point by point. And then she 11 says, Earl, all of the above is correct and you 12 make valid points. What one needs to keep in mind 13 is that ChanBond patents are only one of thousands 14 of applicable technology to the above industry and 15 represents a tiny fraction of thousands of 16 patents. No one portfolio is going to have a huge 17 uplift on market share. Do you see that? 18 A. Yup. 19 Q. And you see, and if they wanted an 20 uplift in market, they should acquire Z-Band with 21 the license back to operate in the space. 22 Acquisition and merger is the way forward. Z-Band 23 will be well placed. 24 Do you see that?</p> <p>1 A. And then let's take a look at -- I have 2 just got a few more for you. So let's take a look 3 at an e-mail that was dated May 20th, and Bates 4 number -- of 2015 -- and Bates numbered 5 IPN0050874. 6 - - - 7 (IPN0050874 marked as Exhibit-26 for 8 identification.) 9 - - - 10 BY MR. COHEN: 11 Q. And this is an e-mail from Deirdre to 12 you, Bob, and Dick. Do you see that? 13 A. Yeah. 14 Q. Okay. 15 And you see here she talks about both 16 ChanBond and IPNav having your support in getting 17 access to Patrick Kean's colleague Jonathan. Do 18 you see that? 19 A. Yeah. We got follow up from Patrick and 20 John, yes. 21 Q. Okay. 22 And do you see here Matt Kitcharoen, 23 K-I-T-C-H-A-R-O-E-N, was CC'd? 24 A. Yeah. Whoever he is.</p>

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1 Q. And Matt Kitcharoen is somebody who
 2 worked at IP Navigation Group and did some work on
 3 this as well for IPNav.

4 A. Okay.

5 Q. So did you -- did you notice that there
 6 was -- that -- that Matt Kitcharoen was CC'd on
 7 these e-mails?

8 A. We didn't pay any attention to that. He
 9 could have been the consultant that we met first
 10 meeting. I was -- not a consultant, but analyst.

11 Q. Okay.

12 A. And just to show you an e-mail from a
 13 couple of days later, that's IPN0032941.

14 - - -

15 (IPN0032941 marked as Exhibit-27 for
 16 identification.)

17 - - -

18 MR. COHEN: So this will be
 19 Exhibit-26(sic) if I have my count correct.

20 BY MR. COHEN:

21 Q. And you see this is an e-mail from Matt
 22 Kitcharoen to Deirdre and you Earl, and your
 23 coinventors at CBV, yes?

24 A. Yes.

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1 Q. And you see IPNav legal was CC'd there,
 2 right?

3 A. Yes.

4 Q. So -- and -- and you can see there's
 5 some pretty -- there's a -- Matt's doing some
 6 analysis and write up here, right?

7 A. Right.

8 Q. And he's talking about action items for
 9 ChanBond and IPNav. Do you see that?

10 A. I see that, yes.

11 Q. Okay.

12 A. So aside from Deirdre, you knew in May
 13 of 2015 that there were some other people at IPNav
 14 doing work on this, right?

15 MR. COX: Objection to form.

16 A. I got I -- I got to stop you on that one.
 17 This is --

18 MR. COHEN: No speaking objections,
 19 Nathan. We can't -- I know what the objection is.
 20 I'm standing by the question.

21 MR. COX: No. Akiva, just like you
 22 politely corrected me earlier and I appreciated,
 23 it came -- this is a mix up of IPNav versus IP
 24 Navigation. His e-mail is from IPNav --

1 MR. COHEN: Wait. Hold on --

2 MR. COX: Make the record clear.

3 MR. COHEN: Nathan, at this point
 4 I'm just going to note you're making a speaking
 5 objection. You're obviously trying to feed the
 6 witness some information. It's information I
 7 don't believe is accurate and that's fine, we can
 8 have that argument separately.

9 You've got your objection to form.

10 I am standing by the question. The witness can
 11 answer it.

12 BY MR. COHEN

13 Q. So as you are aware --

14 MR. COX: -- your e-mail, not
 15 IPNav, which you corrected me earlier and I didn't
 16 object to because it's keeping the record clear.
 17 That's different than a speaking objection. You
 18 may -- with that in the record, you can ask your
 19 question.

20 BY MR. COHEN:

21 Q. So you were aware that by this point in
 22 2015, there were people at IPNav who were doing
 23 work on this, correct?

24 MR. COX: Objection to form.

1 BY MR. COHEN:

2 Q. You can answer.

3 MR. DEANGELO: Where did this
 4 e-mail come from? As witness counsel.

5 MR. COHEN: This e-mail was
 6 produced by the claimants.

7 MR. DEANGELO: Who was Matt
 8 Kitcharoen working for at the time?

9 MR. COHEN: Was doing work on
 10 IPNav, LLC matters and IP Navigation Group, LLC
 11 matters. And frankly, this is way beyond the
 12 scope of a deposition. Nathan, you can have your
 13 arguments about that in the arbitration. That's
 14 frankly --

15 MR. COX: -- that's your
 16 obligation. He's on IP Navigation's payroll at
 17 the time of this e-mail. So if you want to say
 18 that to the panel, fine with me, I just want it on
 19 the record.

20 MR. COHEN: That's fine.

21 BY MR. COHEN:

22 Q. So, Earl, you were aware, were you not,
 23 that other people than Deirdre were doing work for
 24 IPNav, LLC on this matter, correct?

<p>1 MR. COX: Objection to form. 2 THE WITNESS: That's the long way 3 to get around to this thing. Was I aware there's 4 other people at IPNav? No. 5 BY MR. COHEN: 6 Q. Okay. 7 So you saw -- you knew -- 8 A. I saw a letter. I don't know who he 9 worked for. I don't know what his deal was. 10 Q. You had no idea, as far as you knew he 11 was dropping in from the sky? 12 MR. COX: Objection to form. 13 THE WITNESS: I don't know where he 14 came from, no. 15 BY MR. COHEN: 16 Q. Okay. 17 And you didn't have any inkling that he 18 was doing work on this for Deirdre and IPNav, LLC? 19 MR. COX: Objection to form. 20 THE WITNESS: This -- this 21 information could have come from anywhere. I 22 don't know where, who this gentleman was. And 23 quite frankly, I didn't check up on it, so I 24 should have checked who that person was, but I</p>	Page 162	<p>1 identification.) 2 - - - 3 BY MR. COHEN: 4 Q. And if you take a look here, this is, 5 again, from Deirdre to you and Bob and Dick. Do 6 you see that? 7 A. Yeah. 8 Q. And you see CC'd on it -- CC'd on it are 9 Matt Kitcharoen, IPNav legal, and Jennifer 10 Watkins? 11 A. Okay. 12 Q. And do you see how Deirdre starts her 13 e-mail by saying, hi, guys. Sorry for the delay 14 in getting back to you. And then she says, Matt 15 spent most of today going through all the files 16 and the thumb drives and then goes on to talk 17 about all that. 18 Do you see that? 19 A. Yes. 20 Q. Okay. 21 Does the fact that Deirdre is telling 22 you how Matt Kitcharoen spent his day doing work 23 on your files, give you any sort of indication 24 that Matt Kitcharoen was working for Deirdre?</p>	Page 164
<p>1 didn't. 2 MR. COHEN: Okay. 3 VIDEOGRAPHER: Mr. Cohen, just real 4 fast, that was Exhibit-27, not 26. 5 MR. COHEN: Oh, 27. Okay. Now I 6 am off by one somewhere and now that -- we'll have 7 to figure that out. 8 BY MR. COHEN: 9 Q. So let's take a look at the next e-mail 10 here. And -- and I just want to -- before I get 11 there, sir, I just want to be clear, did you ever 12 get a clear understanding that Matt Kitcharoen was 13 doing work on your matter at Deirdre's direction 14 or under her supervision? 15 MR. COX: Objection to form. 16 THE WITNESS: No. There was no 17 discussion about Matt. 18 BY MR. COHEN: 19 Q. Okay. 20 Let's take a look at this document. 21 MR. COHEN: This is a document 22 Bates numbered IPN0066639. 23 - - - 24 (IPN0066639 marked as Exhibit-28 for</p>	Page 163	<p>1 MR. COX: Objection, form. 2 THE WITNESS: Yeah. He might work 3 for Deirdre. I didn't give any thought about it. 4 There's going to be somebody doing something 5 behind the scene if you're going to file a 6 lawsuit. 7 BY MR. COHEN: 8 Q. Yeah. There were going to be -- there 9 were going to be -- 10 A. They were going to get paid for that, so 11 what the heck. 12 Q. Yeah. You knew IPNav, LLC was going to 13 be doing work and was going to be getting paid for 14 it, right? 15 MR. COX: Objection to form. 16 THE WITNESS: IPNav, LLC owns 17 ChanBond, so they were going to get the money from 18 ChanBond. 19 BY MR. COHEN: 20 Q. You knew IPNav, LLC was going to be 21 getting paid for its work somehow, correct? 22 MR. COX: Objection, form. 23 THE WITNESS: Getting paid by 24 ChanBond. Payment to be done. One in the same,</p>	Page 165

<p style="text-align: right;">Page 166</p> <p>1 she owns ChanBond. How she splits it up with her 2 company, I don't know.</p> <p>3 BY MR. COHEN:</p> <p>4 Q. Did you ever say to Deirdre, by the way, 5 we don't approve any payment to IPNav?</p> <p>6 MR. COX: Objection to form.</p> <p>7 THE WITNESS: No. We did not say 8 that because that doesn't make any sense.</p> <p>9 BY MR. COHEN:</p> <p>10 Q. Okay.</p> <p>11 Did you ever say --</p> <p>12 A. IPNav is going to have to do something.</p> <p>13 Q. Okay.</p> <p>14 Did you ever -- sorry. I keep taking 15 your pauses as you being finished and I apologize.</p> <p>16 Did you ever say to Deirdre, look, I 17 know that ChanBond has hired IPNav, but we don't 18 approve them getting paid out of gross revenues?</p> <p>19 MR. COX: Objection to form.</p> <p>20 THE WITNESS: No, we did not say 21 that.</p> <p>22 BY MR. COHEN:</p> <p>23 Q. Okay.</p> <p>24 Now, looking back at the PPA for a</p>	<p style="text-align: right;">Page 168</p> <p>1 Where the money comes out of, I guess that's 2 something for the lawyers to argue. I guess 3 you're saying that if she signed a deal outside of 4 the PPA, yeah, she can sign any deal outside of 5 the PPA.</p> <p>6 BY MR. COHEN:</p> <p>7 Q. And the time when it matters whether the 8 person is getting paid, is an affiliate of 9 purchaser or a stakeholder of purchaser, is at the 10 time of payment, correct? Any costs or expense 11 which is paid to an affiliate of purchaser or to a 12 stakeholder of purchaser?</p> <p>13 MR. COX: Objection to form.</p> <p>14 BY MR. COHEN:</p> <p>15 Q. Yes, that was your understanding?</p> <p>16 MR. COX: Objection to form.</p> <p>17 THE WITNESS: I'm not sure where 18 you're getting that. Trying to say that Mark gets 19 paid directly from ChanBond or Mark is employed by 20 IPNav. All I know is that money going out of the 21 net recoveries to any affiliate, had to require 22 our acceptance, which we did not give.</p> <p>23 BY MR. COHEN:</p> <p>24 Q. Okay.</p>
<p style="text-align: right;">Page 167</p> <p>1 second. So looking at the PPA.</p> <p>2 This says that notwithstanding the 3 above, any costs or expense which is paid to an 4 affiliate of purchaser or to a stakeholder of 5 purchaser shall require the prior approval of 6 seller, such approval not to be unreasonably 7 withheld. Do you see that?</p> <p>8 A. Yes, I do.</p> <p>9 Q. And you would agree with me that what 10 that means is that if when a payment is being 11 made, it is being made to somebody who is an 12 affiliate or a purchaser of -- or sorry. Strike 13 that.</p> <p>14 You would agree with me, wouldn't you, 15 that what that means is that if when a payment is 16 being made, it is being made to an affiliate of 17 the purchaser or to a stakeholder of the 18 purchaser, than CBV gets to approve it or if CBV 19 doesn't approve it, it can't come out of gross 20 recoveries in calculating your net recoveries, 21 right?</p> <p>22 MR. COX: Objection to form.</p> <p>23 THE WITNESS: Well, first of all, I 24 agree that it wouldn't require CBV's approval.</p>	<p style="text-align: right;">Page 169</p> <p>1 And that's if that person is an 2 affiliate at the time of payment, right?</p> <p>3 MR. COX: Objection to form.</p> <p>4 THE WITNESS: I don't understand 5 the question.</p> <p>6 BY MR. COHEN:</p> <p>7 Q. Well, it says, any expense which is paid 8 to an affiliate of the purchaser, right? So you 9 asked at the time that the person is being paid, 10 are they an affiliate of the purchaser, right?</p> <p>11 MR. COX: Objection, form.</p> <p>12 THE WITNESS: I don't know -- I do 13 not know what Matt --</p> <p>14 BY MR. COHEN:</p> <p>15 Q. I'm not asking about Matt.</p> <p>16 A. If you're talking about ChanBond versus 17 IPNav, IPNav is a affiliate.</p> <p>18 Q. Today, right now IPNav is an affiliate 19 of ChanBond?</p> <p>20 MR. COX: Objection to form.</p> <p>21 THE WITNESS: Well, I would say it 22 the other way around, ChanBond is an affiliate of 23 IPNav, right.</p>

<p>1 BY MR. COHEN</p> <p>2 Q. Let's -- let's assume with me for a</p> <p>3 second that they're not affiliates at all today.</p> <p>4 Would you have a right to approve that expense if</p> <p>5 they're not affiliates today?</p> <p>6 MR. COX: Objection to form.</p> <p>7 BY MR. COHEN:</p> <p>8 Q. As you understand the agreement?</p> <p>9 MR. COX: Objection to form.</p> <p>10 THE WITNESS: My understanding, it</p> <p>11 has to be a reasonable legal expense? Was that a</p> <p>12 legal expense?</p> <p>13 BY MR. COHEN:</p> <p>14 Q. It would be the reasonable fee and</p> <p>15 expense of any other advisory agent. So the</p> <p>16 question is: Would it be a reasonable fee that</p> <p>17 they were being paid, right, if they're not</p> <p>18 affiliates today?</p> <p>19 MR. COX: Objection to form.</p> <p>20 THE WITNESS: I -- you know, I</p> <p>21 guess you're arguing something that I am not in</p> <p>22 position to agree with. But, yeah, if -- if</p> <p>23 legally he had to go out and ask those guys</p> <p>24 opinion and he's not an affiliate, you would pay</p>	Page 170	<p>1 Q. Okay.</p> <p>2 And in this e-mail, she is responding to</p> <p>3 some notes from Mike Hund. Do you see that? I do</p> <p>4 want to clarify below, some of Michael's notes.</p> <p>5 Do you see that?</p> <p>6 A. Yeah.</p> <p>7 Q. And her first clarification is in this</p> <p>8 first paragraph here. And she said, Mike Hund's</p> <p>9 notes said that the purchaser at ChanBond is an</p> <p>10 affiliate of IPNav. And she responds, the</p> <p>11 purchaser is not an affiliate of IPNav, but a</p> <p>12 standalone entity set up to monetize the assets.</p> <p>13 Do you see that?</p> <p>14 A. I see that.</p> <p>15 Q. ChanBond could have been wrong at the</p> <p>16 time. But did you ever reach out to her and say,</p> <p>17 no, Deirdre, you are an affiliate of IPNav, which</p> <p>18 means we have an approval right on any agreements</p> <p>19 you have with IPNav?</p> <p>20 A. Did I respond to that, no?</p> <p>21 Q. The last part of that was any agreements</p> <p>22 you have with IPNav.</p> <p>23 Okay.</p> <p>24 And, in fact, she had told you that</p>	Page 172
<p>1 him, but you just argued that he wasn't.</p> <p>2 BY MR. COHEN:</p> <p>3 Q. Okay.</p> <p>4 Let's talk about -- so we're going to</p> <p>5 take a look at -- okay. Yeah, here it is.</p> <p>6 So we're going to take a look at two</p> <p>7 documents in succession. So let's take a look at</p> <p>8 this first one, which is IPN0042107. Hold on one</p> <p>9 second.</p> <p>10 Are these the right ones? Let me just</p> <p>11 make sure.</p> <p>12 Nope. Sorry. Wrong one.</p> <p>13 All right. We are just going to go to</p> <p>14 IPN0041625.</p> <p>15 - - -</p> <p>16 (IPN0041625 marked as Exhibit-29 for</p> <p>17 identification.)</p> <p>18 - - -</p> <p>19 BY MR. COHEN:</p> <p>20 Q. Okay.</p> <p>21 Let's just take a look. This is an</p> <p>22 e-mail from Deirdre to you, among other people, on</p> <p>23 June 18, 2015. Do you see that?</p> <p>24 A. Yeah.</p>	Page 171	<p>1 ChanBond had hired IPNav, right?</p> <p>2 A. Where does it say that?</p> <p>3 Q. That would be right here, the language,</p> <p>4 since ChanBond has hired IPNav; do you see that?</p> <p>5 A. That's on both sides of the fence.</p> <p>6 Q. Yup.</p> <p>7 So she very specifically told you that</p> <p>8 ChanBond had hired IPNav, did she not?</p> <p>9 A. That's what that thing says, yes.</p> <p>10 Q. And we already know from our prior</p> <p>11 discussions that you were aware that when somebody</p> <p>12 hires IPNav, that means they're agreeing to pay</p> <p>13 IPNav a percentage of the gross revenue, right?</p> <p>14 MR. COX: Objection to form.</p> <p>15 BY MR. COHEN:</p> <p>16 Q. That's their -- that's -- that's what</p> <p>17 you were told was the typical transaction</p> <p>18 structure, right?</p> <p>19 MR. COX: Objection to form.</p> <p>20 THE WITNESS: That wasn't the</p> <p>21 typical transaction thing explained to us early</p> <p>22 on, nor was that explained to -- by any of the</p> <p>23 other competitors, that there is a double dipping</p> <p>24 going on. That's basically what you're saying.</p>	Page 173

1 Deirdre's on both sides of this. She's selling
 2 services to herself. Now, that's questionable, to
 3 say the least.

4 BY MR. COHEN:

5 Q. And, in fact, she sold ChanBond to
 6 Unified, correct?

7 A. Sold ChanBond to what?

8 Q. To Unified, correct?

9 A. Yeah. She sold ChanBond to UOIP, yeah.

10 Q. Okay. And if UOIP had entered into an
 11 agreement the day after the purchase where it said
 12 ChanBond is retaining IPNav for 22 percent of the
 13 gross proceeds, you wouldn't have had any say in
 14 that one way or another, would you?

15 MR. COX: Objection to form.

16 THE WITNESS: UIP did -- you're
 17 saying if -- if UIP, ChanBond retained IPNav for
 18 22 percent?

19 BY MR. COHEN:

20 Q. Yeah. You wouldn't have had any say in
 21 that, right?

22 A. To me that would be against the PPA.

23 That's my opinion.

24 Q. UOIP -- UOIP and IPNav aren't

1 affiliates, are they?

2 A. UIP now owns the saying. You can't --
 3 you can't go back and change the contract, saying
 4 I am going to give away money to somebody else and
 5 charge them -- you know, heck, I mean, all my
 6 mortgages would be in danger for that. You know,
 7 just turn around and sell the mortgage to somebody
 8 else and now the interest rates double and triple.
 9 You are changing the contract after the rules -- I
 10 mean, rules after the contract is signed.

11 Q. So as you understand it, UOIP couldn't
 12 hire anybody?

13 A. UOIP could hire anybody at their
 14 expense, yes.

15 Q. Okay.

16 A. And ChanBond could have hired -- isn't
 17 it true that ChanBond could have hired -- and I'm
 18 just going to stop sharing now.

19 Q. Isn't it true, Mr. Hennenhoefer, that --
 20 Mr. Hennenhoefer, that under your PPA, ChanBond
 21 could have hired Dominion Harper Group for
 22 22 percent of the gross proceeds and CBV wouldn't
 23 have any say in that one way or the other?

24 MR. COX: Objection to form.

1 THE WITNESS: You're saying --
 2 yeah. Under PPA ChanBond hired a non-related
 3 person for 22 percent of the gross, I would have
 4 trouble with that contract. I am not sure what
 5 the legal standing would be, but I couldn't do
 6 that when I was director of purchasing, change the
 7 contract and adversely affect persons that was
 8 signed on the first contract.

9 BY MR. COHEN:

10 Q. Well, that's not a -- that's not a
 11 change of the contract. There's nothing in the
 12 PPA that says ChanBond is not going to retain a
 13 monetization agent, is there?

14 MR. COX: Objection to form.

15 THE WITNESS: No. I agree with
 16 you.

17 BY MR. COHEN:

18 Q. And, in fact, you specifically deleted
 19 the requirement that any monetization agent they
 20 hired, be one that you mutually agreed that they
 21 could hire, correct?

22 MR. COX: Objection to form.

23 THE WITNESS: Yeah, because I had
 24 concern about the IP clouding, yes.

1 BY MR. COHEN:

2 Q. Right.

3 A. And so if they had chosen to go out and
 4 hire an unrelated entity as a monetization agent
 5 for 22 percent of the gross proceeds, the only
 6 question that you would have would be whether that
 7 was a reasonable fee for a monetization agent,
 8 right?

9 Q. But that's not what they did.

10 Q. Well -- and so now I'm asking a
 11 different --

12 A. See --

13 Q. You can answer the question I'm asking
 14 you. I understand what you want to say. I just
 15 need you to answer the question that I'm asking.

16 A. Which is: If they had hired somebody
 17 unrelated for 22 percent of the gross proceeds,
 18 your only issue would be whether was that
 19 reasonable or not, right?

20 Q. Yeah, which -- which it obviously
 21 wouldn't be, but...

22 MR. COHEN: Okay. Move to strike
 23 on the end, but that's fine.

1 BY MR. COHEN: 2 Q. And if Unified -- well, let's -- let's 3 go back to the PPA for a second. 4 So I would like to take a look at the 5 definition of affiliates in the PPA. So affiliate 6 is any entity that controls, is controlled by, or 7 is under common control with such person. 8 Do you see that?	Page 178	Page 180
9 A. Yes. 10 Q. And you agree, don't you, that Deirdre 11 Leane does not control UnifiedOnline, right? 12 A. Yeah, she does not control Unified. 13 Q. And you agree that Deirdre Leane does 14 not control ChanBond, LLC after she sold it, 15 right?	1 A. Yes. 2 Q. So the only person who controls IPNAV, 3 LLC, meaning has the ability to direct or cause 4 direction of IPNAV, LLC's management and policies, 5 is Deirdre Leane, right? 6 A. That is correct. 7 Q. Right.	8 And since we already agreed that Deirdre 9 Leane is not -- doesn't control Unified or 10 ChanBond, that means IPNAV, LLC also doesn't 11 control Unified or ChanBond, right? 12 A. The -- does not control Unified or 13 ChanBond, that's right.
14 Q. Okay. 15 A. Well, her lawsuit said something 16 different, but I agree that she did not control 17 ChanBond after she sold it. 18 Q. Okay. 19 And you agree that Deirdre Leane is not 20 controlled by either Unified or ChanBond, correct? 21 A. At this time, no, she's not controlled 22 by Unified or ChanBond. 23 Q. And you agree that at this time, she is	20 Q. And we agree that Deirdre Leane is not 21 controlled by Unified or ChanBond and that means 22 that IPNAV, LLC is not controlled by Unified or 23 ChanBond, right? 24 A. That's right. 25 Q. And since we agree that Deirdre Leane is 26 not under common control with Unified or ChanBond, 27 that means IPNAV, LLC is not under common control 28 of Unified or ChanBond, right?	24 A. Is that a correct statement? Yeah.
29 Q. Just talking about today. 30 A. I'm trying -- I am not knowledgeable of 31 common -- common interest things. Yes. 32 Q. Okay. 33 So sitting here today as things exist 34 after Deirdre sold, and just to be clear, right, 35 like, when Deirdre was the sole owner of both 36 ChanBond, LLC and IPNAV, LLC, they weren't 37 affiliates under this definition because IPNAV, 38 LLC and ChanBond, LLC were under common control, 39 right, because Deirdre Leane controlled both 40 entities, right? 41 MR. COX: Objection; form. 42 THE WITNESS: That's my 43 understanding, yes.	1 not under common control with Unified or ChanBond, 2 is she? 3 A. Is that a true statement? 4 Q. Well, are you aware of whether whoever 5 owns -- well, let's look at the definition of the 6 term control here. 7 It means having the power to direct or 8 cause the direction of the management and policies 9 of an entity. 10 So do you agree that nobody who can 11 direct or cause the direction of management and 12 policies of Unified or ChanBond can currently 13 direct or cause the direction of the management or 14 policies of Deirdre Leane? 15 A. Yes, I agree nobody can -- 16 Q. Okay. 17 A. -- make changes that Deirdre -- yes. 18 Q. Okay. 19 And since IPNAV, LLC is 100 percent 20 owned and controlled by Deirdre, the same thing 21 applies to IPNAV, LLC, right? 22 A. That question does not make sense. 23 Q. Well, Deirdre owns a hundred percent of 24 IPNAV, LLC, right?	43 BY MR. COHEN: 44 Q. So at the time they were affiliates, but 45 now that she has sold it and the ChanBond, LLC is 46 controlled by Unified, LLC, there's no control, 47 there's no being controlled by, and there's no 48 under common control. So ChanBond, LLC and IPNAV, 49 LLC are no longer affiliates, right? 50 MR. COX: Objection to form. 51 THE WITNESS: That's correct.

<p>1 BY MR. COHEN:</p> <p>2 Q. Okay.</p> <p>3 So now talking about after Unified</p> <p>4 bought ChanBond, LLC, if Unified had said or if</p> <p>5 ChanBond had said then, I'm going to retain IPNav,</p> <p>6 LLC to handle the ChanBond for 22 percent of the</p> <p>7 gross revenue or the gross proceeds, then that</p> <p>8 would have been no different than what we talked</p> <p>9 about earlier, retaining a monetization agent that</p> <p>10 is not an affiliate, right?</p> <p>11 MR. COX: Objection to form.</p> <p>12 THE WITNESS: Well, you would think</p> <p>13 the 22 percent gross revenue, to do that is under</p> <p>14 reasonable fees, I would object.</p> <p>15 BY MR. COHEN:</p> <p>16 Q. Right.</p> <p>17 So that -- but that would be where your</p> <p>18 objection would be, whether or not that's</p> <p>19 reasonable, right?</p> <p>20 A. Yeah. Definitely not a reasonable fee,</p> <p>21 yes.</p> <p>22 Q. Okay.</p> <p>23 And on that subject, Earl, how many</p> <p>24 patent monetization contracts have you signed?</p>	Page 182	Page 184
<p>1 A. How many patent monetization contracts</p> <p>2 have I signed? Well, it looks like it was maybe</p> <p>3 three. I definitely know I signed two, one with</p> <p>4 Billy and one Deirdre.</p> <p>5 Q. Okay.</p> <p>6 So you're talking about the PPAs.</p> <p>7 Other than that, do you have any</p> <p>8 experience with how much a patent monetization</p> <p>9 agent like IPNav, IP Navigation Group, Dominion</p> <p>10 Harbor Group, or anybody else in that space</p> <p>11 generally charges as its fee?</p> <p>12 MR. COX: Objection to form.</p> <p>13 THE WITNESS: The offers we had are</p> <p>14 the -- the discussions we had with other firms,</p> <p>15 that was included in the cost of doing business</p> <p>16 along with everything else. So we got a gross fee</p> <p>17 of 30 percent or more. So how much things are</p> <p>18 going to cost, I don't know. Usually the lawyers</p> <p>19 will take care of that.</p> <p>20 BY MR. COHEN:</p> <p>21 Q. Okay.</p> <p>22 And so I guess what I'm asking is: Do</p> <p>23 you think as a practical matter, there's any</p> <p>24 difference between Unified and ChanBond retaining</p>	Page 183	Page 185
		<p>1 declaration, he signed an agreement with Unified,</p> <p>2 which came out of his money that he received not</p> <p>3 out of our money.</p> <p>4 BY MR. COHEN:</p> <p>5 Q. And do you care about that at all?</p> <p>6 A. That was what I read in the complaint.</p> <p>7 Q. Okay.</p> <p>8 Do you care about that at all?</p> <p>9 A. Do I care how much -- how much -- what</p> <p>10 Billy spent his money on or gave his money to?</p> <p>11 That's not my business. As -- as a CBV guy, I</p> <p>12 care as a shareholder, but not as representative</p> <p>13 of CBV.</p> <p>14 Q. And as a shareholder in Unified, do you</p> <p>15 have any concern about Billy carving off an extra</p> <p>16 20 percent for himself?</p> <p>17 MR. COX: Objection to form.</p> <p>18 THE WITNESS: I'm sure the</p> <p>19 shareholder is going to complain about giving</p> <p>20 money to Billy Carter, which turns out to be a tax</p> <p>21 dodge, that's what it really turns out to be.</p> <p>22 They stand to get a -- a dividend</p> <p>23 and if he gives away money, they're not going to</p> <p>24 give a dividend.</p>

<p>1 BY MR. COHEN:</p> <p>2 Q. Are you aware --</p> <p>3 A. -- to Billy.</p> <p>4 Q. Are you aware that Billy Carter also</p> <p>5 signed a deal with -- with Unified to pay himself</p> <p>6 \$5,000 a month in perpetuity for handling the</p> <p>7 ChanBond patent monetization?</p> <p>8 MR. COX: Objection to form.</p> <p>9 THE WITNESS: Not -- not until you</p> <p>10 mentioned it.</p> <p>11 BY MR. COHEN:</p> <p>12 Q. Okay. And I'll ask you two questions.</p> <p>13 No. 1, as CBV, do you care one way or another?</p> <p>14 MR. DEANGELO: About what?</p> <p>15 BY MR. COHEN:</p> <p>16 Q. About that money coming out of Unified?</p> <p>17 A. Yeah.</p> <p>18 Q. As long as it doesn't touch --</p> <p>19 A. Money is coming out of Unified or is it</p> <p>20 coming out of ChanBond.</p> <p>21 Q. As long as it's not coming out of your</p> <p>22 share, you don't care, right, as CBV?</p> <p>23 A. As CBV, I don't care where the money</p> <p>24 goes.</p>	Page 186	Page 188
<p>1 Q. Okay.</p> <p>2 A. As long as it doesn't affect CBV.</p> <p>3 Q. Right.</p> <p>4 And as a shareholder in Unified, do you</p> <p>5 care?</p> <p>6 A. Yeah.</p> <p>7 Q. Do you think it's reasonable? Do you</p> <p>8 think --</p> <p>9 A. I think, you know, unfair deal there,</p> <p>10 but that's -- that's not what I'm representing</p> <p>11 here.</p> <p>12 MR. COHEN: Okay. So now I am just</p> <p>13 going to mark another exhibit.</p> <p>14 MR. DEANGELO: Is this a good time</p> <p>15 for a break?</p> <p>16 MR. COX: Yeah. Let's -- let's</p> <p>17 take, let's take a break here. I probably have</p> <p>18 about 15 more minutes. So let's take a break here</p> <p>19 and then I'll just get things lined up to wrap up.</p> <p>20 Okay?</p> <p>21 VIDEOGRAPHER: Off the record at</p> <p>22 2:55 p.m.</p> <p>23 - - -</p> <p>24 (Whereupon, brief recess was held off</p>	Page 187	Page 189
<p>1 the record.)</p> <p>2 - - -</p> <p>3 VIDEOGRAPHER: Going back on the</p> <p>4 record. The time is 3:05 p.m.</p> <p>5 BY MR. COHEN:</p> <p>6 Q. All right.</p> <p>7 So, Earl, I'm going to share with you</p> <p>8 another document and this will end up being</p> <p>9 Exhibit-30.</p> <p>10 MR. COHEN: This will be</p> <p>11 Exhibit-30.</p> <p>12 - - -</p> <p>13 (IPN0049400 marked as Exhibit-30 for</p> <p>14 identification.)</p> <p>15 - - -</p> <p>16 BY MR. COHEN:</p> <p>17 Q. And this is an e-mail Bates numbered</p> <p>18 IPN0049400. And the chain goes on for two pages.</p> <p>19 It's an E-mail from Deirdre to you on December 10,</p> <p>20 2015. Do you see it?</p> <p>21 A. Yes.</p> <p>22 Q. Do you recall receiving this e-mail?</p> <p>23 A. I'm trying to read this thing, but I</p> <p>24 don't -- I don't recall right now.</p>		
<p>1 Q. Okay.</p> <p>2 And do you see she basically says, look,</p> <p>3 guys, CBV sold the patents to ChanBond, so</p> <p>4 ChanBond is the client, not you guys, right?</p> <p>5 A. Right.</p> <p>6 Q. And then she said, ChanBond has a</p> <p>7 contract with IPNav, right?</p> <p>8 A. Okay.</p> <p>9 Q. And then ChanBond has attorney-client</p> <p>10 privilege with its litigation counsel at Mishcon.</p> <p>11 And she goes on to say, look, we don't want you</p> <p>12 guys to be too informed on litigation strategy</p> <p>13 because you can get deposed on that and we don't</p> <p>14 want you to have anything to tell them, right?</p> <p>15 A. Yeah. I see what it says, yes. And</p> <p>16 that's probably coming from us because we wanted</p> <p>17 to know what was going on.</p> <p>18 Q. Yeah. I saw a whole bunch of e-mails</p> <p>19 from you guys and there were voice mails asking</p> <p>20 what was going on. I think she -- this was her</p> <p>21 response of, I know -- I know why you're asking,</p> <p>22 but we need you to not know, essentially. Does</p> <p>23 that make sense?</p> <p>24 A. Yeah.</p>		

<p>1 Q. Were you aware by this time that she had 2 sold ChanBond to Unified?</p> <p>3 A. I don't know if we knew by then, 4 December 2015. I don't know when I actually found 5 out.</p> <p>6 Q. Okay.</p> <p>7 Do you remember finding out about it?</p> <p>8 A. We found out -- I think we found out by 9 the message board of -- pertaining to UOIP.</p> <p>10 Q. Okay.</p> <p>11 A. I'm not -- I'm really not positive how 12 we found out, but then we called Billy up to 13 confirm it.</p> <p>14 Q. Okay.</p> <p>15 And was there any discussion at that 16 time, other than, hey, this happened?</p> <p>17 A. No. It was just -- you know, we just 18 called Billy to confirm that he was now the owner 19 of it.</p> <p>20 Q. Okay.</p> <p>21 A. It was a friendly phone call.</p> <p>22 Q. Okay.</p> <p>23 And I'm just trying to see if I can 24 bookmark somehow in your mind around when that</p>	<p>Page 190</p> <p>1 Q. And this is an e-mail from Dick to 2 Deirdre and CC'ing you and Bob in response to an 3 e-mail from Deirdre in January of 2016. Do you 4 see it?</p> <p>5 A. Yeah.</p> <p>6 Q. And do you see in mid January, Deirdre 7 reached out to you to ask about proposed 8 amendments to a patent application that was due on 9 January 17th; do you see it?</p> <p>10 A. Yeah.</p> <p>11 Q. And do you recall Deirdre reaching out 12 to you at various times on stuff that was relating 13 to the litigation or to the patents?</p> <p>14 A. I don't recall this memo. And, you 15 know, I don't recall having phone calls with her. 16 I might have. I was kind of surprised she would 17 get herself involved in this after she sold it.</p> <p>18 Q. Okay.</p> <p>19 Did you say you were at the time 20 surprised or you are now surprised? I just wasn't 21 clear on what you said.</p> <p>22 A. I don't -- quite frankly, I don't recall 23 the memo, so, yeah, I'm copied on it, but I don't 24 recall.</p>
<p>1 was.</p> <p>2 Do you recall whether that was before or 3 after you were deposed in the ChanBond 4 litigations?</p> <p>5 A. It was definitely before we found out. 6 Before we deposed -- we were deposed, I think, in 7 2018, right?</p> <p>8 Q. Yeah. So you -- you found out before 9 that, right?</p> <p>10 A. Oh, yeah. Most definitely.</p> <p>11 Q. Okay.</p> <p>12 And, again, once you found out, you 13 didn't say, hey, we never consented to this, we 14 are not okay with it, right?</p> <p>15 A. We did not say that. We just asked for 16 a copy and never got it.</p> <p>17 Q. I'm just going to take a look at one 18 more e-mail, so hold on one second.</p> <p>19 Okay.</p> <p>20 - - -</p> <p>21 (E-mail marked as Exhibit-31 for 22 identification.)</p> <p>23 - - -</p> <p>24 BY MR. COHEN:</p>	<p>Page 191</p> <p>1 Q. Okay.</p> <p>2 And you see Dick, one of things he says 3 is he thanks Deirdre for her continuing leadership 4 and support; do you see that?</p> <p>5 A. Yeah. That sounds like Dick, yes.</p> <p>6 Q. Yup.</p> <p>7 And did you agree with those sentiments 8 at the time?</p> <p>9 A. I wasn't content, a very good fan of 10 Deirdre. So Dick -- Dick had her more friendly 11 liked than I did.</p> <p>12 Q. Why is that?</p> <p>13 A. I think Dick thought more highly of 14 Deirdre than I did.</p> <p>15 Q. Okay.</p> <p>16 Any particular reason you didn't think 17 highly of her?</p> <p>18 A. Yes. I had one particular reason that 19 bothered me considerably.</p> <p>20 Q. What was that?</p> <p>21 A. Going back to July of 2015 or so, they 22 were pushing this still, you know, what's 23 happening, what's going on. She finally said, 24 hey, I'm lining this thing up with Bentham and</p>

1 you -- you guys have to go see Bentham, go up to
 2 New York City. And I didn't have any problem with
 3 that, we were going to meet Bob and Mark in
 4 Bentham.

5 So we went up there. It was a very good
 6 meeting and everything was honky-dory and so forth
 7 like that. And it was -- obviously Bentham had a
 8 very positive attitude about the patents, more so
 9 that I think even Deirdre thought.

10 So when we got back to Harrisburg a week
 11 or so later, I don't know the timing she called
 12 up -- Bentham called us and he had another Bentham
 13 person on the line and Deirdre on the line with
 14 us, and myself and Bob. And they asked a lot of
 15 questions. Most of the questions we answered
 16 before. And they finally got to the punchline and
 17 it's like, Earl, what do you think this thing is
 18 worth? Well, I told him -- [REDACTED]
 [REDACTED]
 [REDACTED]

22 Well, Deirdre interrupted and said, hey,
 23 guys, you just don't understand this stuff. You
 24 know, this is not the way it works. [REDACTED]

1 [REDACTED]
 2 [REDACTED] in which Bentham kind of replied, well,
 3 we're Bentham and we support this, this is what we
 4 do for business. Well, that kind of ended it.

5 But shortly after that we got another
 6 phone call from Bentham without Deirdre. And we
 7 were talking about this and, you know, the
 8 question really came up, what -- you know, what's
 9 going on and do you support this. The answer was,
 10 yeah, we're a hundred percent behind this thing,
 11 but it's going to take a lot long for you guys to
 12 get the money than you think, but we're going to
 13 make you guys very rich men, so that ended it.

14 It wasn't days that went by and then we
 15 got this amendment that was thrown at us, saying
 16 that we got to change the PPA so we can't get it
 17 back. And the first called out was the IP
 18 clouding thing, we were worried about standing and
 19 we kind of shot that down. So the next thing she
 20 came back with me personally was, well, you got to
 21 sign this amendment. If you don't sign it,
 22 Bentham is not going to give us the money. Well,
 23 we already had that phone call with Bentham and we
 24 knew that Bentham was very positive. So I said to

1 her, I'm not going to sign it. She said, well, if
 2 you don't sign this thing, I'm going to take it to
 3 Europe because I got a European job opportunity
 4 there and you won't be receiving a dime.

5 So with that, my relationship with
 6 Deirdre was not very good.

7 Q. Okay. I appreciate hearing that.

8 MR. COHEN: And on that note, I
 9 don't have anything further for you.

10 THE WITNESS: Okay.

11 MR. COX: Yeah. I have some
 12 follow-up questions here.

13 - - -

14 Examination

15 - - -

16 BY MR. COX:

17 Q. So, Earl, Mr. Cohen took you through
 18 some e-mails from, I think, mid 2014 and before
 19 about some potential fees or payments that IP
 20 Navigation Group or IPNav might get. Do you
 21 recall that?

22 A. Yes. I recall the -- the discussions,
 23 yes.

24 Q. And I believe, correct me if I'm wrong,

1 you characterized those as just part of the
 2 negotiations, right?

3 MR. COHEN: Objection to form.

4 THE WITNESS: That is correct.

5 BY MR. COX:

6 Q. And -- and by that I took it as, there
 7 was never an agreement that IPNav, LLC, or IP
 8 Navigation, LLC would receive a fee coming from a
 9 percentage of the gross proceeds; is that correct?

10 MR. COHEN: Objection to form.

11 BY MR. COX:

12 Q. Did I summarize your testimony
 13 correctly?

14 A. That is correct.

15 Q. I'm going to read from the record and --
 16 and take it with a grain of salt. It's from the
 17 realtime, so it's not our affirmed record yet, but
 18 I'm going to read a quick portion for you real
 19 quick.

20 MR. COHEN: Nathan, where are you
 21 headed to?

22 MR. COX: We'll give that to you
 23 one second. All right. So if you are reading
 24 from -- it says, I believe it's Page 128/6, and

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1 I'm just going to quote from the realtime here.

2 BY MR. COX

3 Q. Mr. Cohen asked you, quote, did you ever
4 say, oh, Deirdre, I know ChanBond hired IPNav,
5 but -- but we don't approve them getting paid out
6 of gross revenues. And you responded, no, we did
7 not say that.

8 Do you recall that -- that testimony?

9 A. Yes. I -- I agree to that, we did not
10 grant of gross revenues at any -- any -- any point
11 of gross revenues.

12 Q. And -- and he then asked you why you
13 would not have had told IP -- or told Deirdre that
14 you didn't approve of IPNav getting paid out of
15 the gross revenues.

16 So my question to you is -- is: Why
17 not?

18 A. Well, let's see. I'm not sure I
19 understand the question. The question is, we did
20 not approve her getting paid out of the gross
21 revenues, any percentage at any time.

22 Q. So let -- let's do it this way. So at
23 that time, had you been told by Deirdre or anyone
24 that IP Navigation Group or IPNav was to be paid a

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1 percentage of gross proceeds?

2 A. The question hasn't come up. Okay.

3 MR. COHEN: Sorry. And just for
4 the record, the question hasn't come up, was a
5 reference to the scroll, that wasn't part of his
6 answer.

7 THE WITNESS: Yeah. You're right.
8 She was trying to scroll this thing up for me.

9 So, yeah, we were not told by
10 Deirdre or IPNav that they're going to get a paid
11 a percentage of gross proceeds.

12 BY MR. COX:

13 Q. So then going back to Mr. Akiva's
14 question from Page 128, Line 6, would it have made
15 sense for you to tell Deirdre you didn't consent
16 to payment of a percentage of the gross proceeds
17 that you didn't know about?

18 MR. COHEN: Objection to form.

19 THE WITNESS: We did not consent to
20 any payment of gross proceeds. Did that answer
21 the question?

22 BY MR. COX:

23 Q. Kind of.

24 So the -- the point is, if it wasn't

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1 brought up to you, according to your testimony,
2 would it have made sense to have, out of blue,
3 told Deirdre that you didn't consent to a payment
4 of gross proceeds?

5 MR. COHEN: Objection to form.

6 THE WITNESS: Yeah. I agree that
7 was never brought up by anybody, whether it's
8 Deirdre, Erich, or Billy Carter, about paying us
9 any -- paying out anything in gross proceeds. So
10 it doesn't make sense that we didn't -- you know,
11 that we would have consented a payment because it
12 never came up.

13 MR. COX: Ken, can you bring up
14 Exhibit-15 for me, please.

15 And let's see if I can take control
16 here.

17 BY MR. COX:

18 Q. All right.

19 So if you recall, this is an e-mail that
20 was reviewed earlier with Mr. Cohen where you had
21 some questions to Billy and then Billy in this
22 green highlighted text, inserted some of his
23 answers that -- that were questions between you
24 and -- and Bob and -- and Dick, I believe; is that

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1 correct?

2 A. I don't recall the exact memo, but, you
3 know, understand there was one, you know. And it
4 makes sense after rereading it, yeah. I think
5 that was a follow-up to his visit to us because,
6 you know, got all the other stuff in that memo.

7 Q. And the -- the second bullet point where
8 it states, quote, VDV contracts with IPNav and
9 then in brackets, for a percentage of revenue and
10 costs, end brackets.

11 Do you see that?

12 A. Yeah. I see that question, yes.

13 Q. And --

14 A. That's -- that's the one that says we
15 want to make sure we get Erich and my share?

16 Q. Correct.

17 And that -- that doesn't say anywhere
18 that IPNav receives a percentage of the gross
19 proceeds, does it?

20 A. No, it does not.

21 MR. COHEN: Objection to form.

22 BY MR. COX:

23 Q. Saying that someone receives a
24 percentage of the revenue and costs, would imply

<p>1 the net proceeds, correct?</p> <p>2 MR. COHEN: Objection to form.</p> <p>3 BY MR. COX:</p> <p>4 Q. I'll ask it this way: When you see that</p> <p>5 someone is going to be paid based on a percentage</p> <p>6 of the revenue and costs, would that mean a</p> <p>7 percentage of the gross or the net, to you?</p> <p>8 MR. COHEN: Objection to form.</p> <p>9 THE WITNESS: Well, I would assume</p> <p>10 to be part of the net proceeds because, you know,</p> <p>11 Erich was going to get 50 percent of the net</p> <p>12 proceeds, we were talking about how he got paid</p> <p>13 originally. So, you know, I was thinking that he</p> <p>14 would get part of the net proceeds of, you know,</p> <p>15 and one share. You know, I'm just trying to</p> <p>16 find -- figure this thing out for them. It was --</p> <p>17 it was confusing as heck at that time.</p> <p>18 BY MR. COX:</p> <p>19 Q. And -- and I think on the point</p> <p>20 you're -- you're referring to right now, I believe</p> <p>21 you mentioned that there were a number of</p> <p>22 negotiations going on at this time, including</p> <p>23 other entities besides IPV DV and CVB. Can you</p> <p>24 explain what you meant by that?</p>	Page 202	<p>1 e-mail, just in general in the PPA and --</p> <p>2 MR. COX: Ken, if you can bring up</p> <p>3 Exhibit-1, it might be helpful to just look at the</p> <p>4 agreement.</p> <p>5 BY MR. COX:</p> <p>6 Q. And so during your discussions with --</p> <p>7 with Mr. Cohen, he -- he pointed out that at the</p> <p>8 time --</p> <p>9 A. Which -- which -- which agreement is</p> <p>10 this?</p> <p>11 Q. The PPA. Sorry.</p> <p>12 A. What date?</p> <p>13 Q. The final PPA from --</p> <p>14 A. Oh, okay. '21. Okay.</p> <p>15 Q. So Mr. Cohen pointed out that at the</p> <p>16 time of entering the ASA between Deirdre, through</p> <p>17 ChanBond and Deirdre through IPNav, they wouldn't</p> <p>18 be affiliates under the PPA; is that correct?</p> <p>19 A. Yes, that is correct.</p> <p>20 Q. And then I believe you testified that</p> <p>21 under your current understanding of how the</p> <p>22 parties are situated today, ChanBond and IPNav,</p> <p>23 LLC are no longer affiliates; is that correct?</p> <p>24 A. That's -- that's my understanding, yes,</p>	Page 204
<p>1 A. Well, there was -- there was a question</p> <p>2 about -- you know, pertaining to Billy and what</p> <p>3 Billy was doing. Billy was offering deals and we</p> <p>4 were kind of changing, very fluent, trying to put</p> <p>5 something together that included Billy and -- and</p> <p>6 maybe his company and including us and management</p> <p>7 and so forth. Outside of that, we were also</p> <p>8 talking to Pat Kane about them being a</p> <p>9 modernization for patents. So we had several</p> <p>10 things going on and it kind of gave us a standard</p> <p>11 of what we should be asking questions about</p> <p>12 because I'm trying to get some answers to</p> <p>13 questions to compare the two alternatives.</p> <p>14 MR. COX: Ken, can you please bring</p> <p>15 up -- actually, no. In just a little bit.</p> <p>16 BY MR. COX:</p> <p>17 Q. So there was some discussion about</p> <p>18 whether or not under the PPA, ChanBond and IPNav</p> <p>19 would be affiliates at the time of payment. Do</p> <p>20 you recall that testimony?</p> <p>21 A. Okay. I'm not sure -- are you talking</p> <p>22 about the -- at this particular time, you talking</p> <p>23 about VDV. IPNav didn't exist at that time.</p> <p>24 Q. So sorry. Not at the time of this</p>	Page 203	<p>1 that's correct.</p> <p>2 Q. I'm going to take you through a quick</p> <p>3 hypothetical.</p> <p>4 So if the settlement was in this case,</p> <p>5 on May 25, 2021, which I believe that's when it</p> <p>6 actually was, so I am going to take you through</p> <p>7 this hypothetical.</p> <p>8 If Billy, through ChanBond, had executed</p> <p>9 another ASA for 22 percent of the gross proceeds</p> <p>10 to a company that he owned on May 23rd, and then</p> <p>11 on May 24th, he sold ChanBond to his brother.</p> <p>12 Are you with me?</p> <p>13 A. Okay. I didn't know he had a brother,</p> <p>14 but go on.</p> <p>15 Q. I actually don't know if he does, but</p> <p>16 that will take over if he does.</p> <p>17 So then by the time of the settlement in</p> <p>18 the ChanBond litigation, technically under the</p> <p>19 claimant's interpretation of net recoveries, they</p> <p>20 wouldn't be affiliates, correct?</p> <p>21 MR. COHEN: Objection to form.</p> <p>22 THE WITNESS: So he's saying by</p> <p>23 selling it to his brother, he's now an affiliate;</p> <p>24 is that correct?</p>	Page 205

1 BY MR. COX:

2 Q. Correct.

3 So under that hypothetical, the -- after
4 the day before this settlement, his brother would
5 be the owner of ChanBond and Billy would have an
6 ASA for 22 percent.

7 Are you with me under this hypothetical?

8 A. Yeah. I think what you're saying, he
9 sold it to a non-related party, other than being
10 in his family, before the settlement to get
11 22 percent.

12 Q. And how would you feel about a
13 transaction like that to get around this consent
14 requirement of the net recoveries?

15 A. Well, the problem I have --

16 MR. COHEN: Objection to form.

17 THE WITNESS: The problem I have,
18 and I go back to discussions we had with the --
19 the attorneys, both attorneys, because we asked
20 him pointblank, even with the ASA as written, does
21 any of this come out of our pocket and both of
22 them said, no, it doesn't, because -- now,
23 irrespective if it was backdated and all that
24 stuff, that is something between Billy and

1 Deirdre.

2 So we walked away thinking there
3 was -- there was nothing to this, but, you know,
4 now there seems to be the fact that everybody want
5 CBV to pay part of it, which I have a problem
6 with.

7 BY MR. COX:

8 Q. So would it be fair to characterize that
9 hypothetical as a -- a disingenuous loophole to
10 what that parties had agreed to?

11 MR. COHEN: Objection to the form.

12 THE WITNESS: Yeah. I would -- I
13 would characterize it as, you know, disingenuous
14 would probably be a polite word for it.

15 BY MR. COX:

16 Q. And let's -- let's assume that the
17 transaction of Deirdre creating an ASA with
18 another entity that she owns, but then sold --
19 sold ChanBond, that they're -- they're no longer
20 affiliated at the time of the payment. So let's
21 just assume -- assume this last provision isn't in
22 play for this next question. Are you with me?

23 So let's just assume that this -- this
24 last provision of consent requirement is not --

1 not in play for this next line of questioning; are
2 you with me?

3 A. Okay.

4 Q. So is it your testimony that Deirdre was
5 the new owner through ChanBond sometime in the
6 fall of 2014; is that correct?

7 MR. COHEN: Objection to form.

8 THE WITNESS: As far as I'm
9 concerned, she did not own it in 2014.

10 BY MR. COX:

11 Q. Correct. And -- and sorry, it was my
12 fault on the question. We negotiated a deal,
13 switched to being an entity that Deirdre owned
14 sometime in the fall of 2014?

15 MR. COHEN: Objection to form.

16 THE WITNESS: Deirdre was going to
17 take over the deal. We never had a deal with
18 Deirdre though.

19 BY MR. COX:

20 Q. Correct.

21 And that was in -- in the fall of 2014?

22 A. Yeah.

23 Q. And the ISA where she sold the

24 membership interest in ChanBond to Unified was in

1 October of 2015?

2 A. Yeah. That was in 2015, yes.

3 Q. Would 22 percent --

4 A. The -- the other question is 2014, yeah.

5 Q. Yeah.

6 So in that -- that year or so time
7 period that she was supposed to be negotiating for
8 and was the owner or manager of ChanBond, is
9 22 percent a reasonable fee for her work on that?

10 MR. COHEN: Objection to the form.

11 THE WITNESS: The reasonable fee is
12 the \$5 million she got. That's -- that's a pretty
13 good deal for just a couple months worth of
14 rearrange every -- all the contacts and turn it
15 over to Billy. So that's pretty good money. I'll
16 sign up for that.

17 BY MR. COX:

18 Q. And -- and just so I'm very clear, so
19 then your testimony is that 22 percent of the
20 gross is not a reasonable fee?

21 A. It is not a reasonable fee.

22 MR. COHEN: Objection to the form.

23 THE WITNESS: Reasonable fee,
24 period.

<p>1 MR. COX: Ken, could you please 2 bring up Exhibit-25 for me, please. 3 BY MR. COX: 4 Q. This is another e-mail that you went 5 over with Mr. Cohen. And if we scroll down just a 6 little bit. 7 So as I understand it, these portions 8 that are in all caps is Deirdre's response to you; 9 is that correct? 10 A. Yeah. That's my understanding, yes. 11 Q. And if you'll look at the bottom here, 12 there's a paragraph that starts on a different 13 subject, colon. 14 A. Cost of capital, yeah. 15 Q. Yeah. 16 And if you read this last sentence, she 17 states, quote, basically it means I, as in 18 Deirdre, will be trying my hardest to ensure we 19 max recoveries. Are you with me? 20 A. Okay. 21 Q. And this paragraph, it's -- it's 22 responding to your question about determining, 23 quote, unquote, net revenue; is that correct? 24 A. Yes.</p>	<p>Page 210</p> <p>1 Do you see that? 2 A. Yes. 3 Q. Is there any e-mail in this exhibit 4 where you respond saying, yes, IPNav, LLC can have 5 a percent of the gross proceeds? 6 A. Well, that turns out to be the 7 alternative. You know, we actually thought at 8 that time that we would keep the patents and there 9 would be some type of fee for doing this. You 10 know, so we get like 30 percent net, 40 percent 11 net. But then it turned out that they -- Erich 12 did not want us to not hold onto the patents. He 13 wanted to keep the patents sold or get the patents 14 sold. That fee structure went out the door. 15 The concept of turning over our patents 16 was a very hard sell to my partners. They would 17 have rather had a percentage of the gross -- I'm 18 sorry -- a fee structure like what is referred to 19 by Deirdre for just doing the work and we hold 20 onto the patents. That was what they would have 21 preferred. It just turned out that that was not a 22 viable option for -- for Erich. 23 MR. COX: Ken, can you bring back 24 up Exhibit-1. Thank you.</p>
<p>1 Q. Would you characterize a 22 percent of 2 the gross agreement giving it to herself through a 3 different entity, count as ensuring max 4 recoveries? 5 MR. COHEN: Objection to the form. 6 THE WITNESS: I would think paying 7 herself 22 percent of the gross was definitely not 8 maximizing our recoveries. And I don't think she 9 even asked me the question about the cost of 10 capital. 11 MR. COX: Ken, can you please pull 12 up Exhibit-7, please. 13 BY MR. COX: 14 Q. So this is an e-mail from Deirdre to you 15 in November 2013, answering some early questions 16 and negotiation between the parties; is that 17 correct? 18 A. I think this is probably the first 19 response we got from IP Navigation. She's trying 20 to explain how this works. 21 Q. And under Sub-point 1, Deirdre writes, 22 quote, our fee structure is really dependent on 23 the portfolio, but we take a percent of the gross 24 proceeds from the campaign.</p>	<p>Page 211</p> <p>1 BY MR. COX: 2 Q. So we're down here on Page 8 of the PPA. 3 You discussed with Mr. Cohen about this assignment 4 provision. Do you recall that testimony? 5 A. Yes. Page 8. Yes, I recall that. 6 Q. And we're going to just briefly go 7 through -- through this. So that first sentence 8 says: This agreement may not be assigned by 9 seller, as in CBV, with the prior written consent 10 of purchaser, ChanBond; is that correct? 11 A. Yes. 12 Q. So that first sentence only applies to 13 if CBV is going to assign anything in this 14 agreement; is that right? 15 A. Yes, that's right -- 16 Q. And -- 17 A. -- agreement. 18 Q. And in the second sentence it says, 19 purchaser, as in ChanBond? 20 A. Yes. 21 Q. May assign its rights and obligations 22 here under, upon the provision of written notice 23 to seller, which would be CBV; is that right? 24 A. That's correct.</p>

1 Q. And I think we all understand that
 2 ChanBond sold its membership interest to Unified;
 3 is that correct?

4 A. That's correct.

5 Q. Have you seen anything, any
 6 communication or -- or contract where ChanBond
 7 assigned its rights or its obligations under the
 8 PPA to a different entity?

9 A. You mean CBV?

10 Q. No.

11 So the second provision applies to
 12 ChanBond. It says ChanBond -- replacing
 13 purchaser -- ChanBond may assign its rights and
 14 obligations if it had written --

15 A. No. I have not seen -- I have not seen
 16 anything in writing, no.

17 Q. Right.

18 So the -- although the ownership has
 19 changed, ChanBond is still the one that has the
 20 rights and obligations under the PPA; is that
 21 right?

22 A. Yes, that's correct. It's my
 23 understanding.

24 Q. So then -- thank you.

1 MR. COX: Let me just quickly my
 2 notes. That might be everything that I have.
 3 Just give me one second.

4 All right. I will pass the
 5 witness. Thank you.

7 Examination

9 BY MR. COHEN

10 Q. Earl, I apologize for keeping you
 11 slightly longer. I really only have, like I said,
 12 two questions, but two topic areas for question.

13 So you mentioned both attorneys said
 14 that whatever was happening on the ASA wasn't
 15 going to come out of your pocket.

16 When you -- do you recall testifying to
 17 that?

18 A. I think you -- didn't come up this way,
 19 but it says come out of our pocket.

20 Q. It was not going to come out of your
 21 pocket, correct?

22 A. Right, it was not going to come out of
 23 my packet.

24 Q. Which attorneys were those, do you

1 remember their names?

2 A. Both Bob Whitman and Mark Raskin. And
 3 they did it more than once.

4 Q. Okay.

5 And do you recall when they told you
 6 that?

7 A. The most adamant discussion was when we
 8 were up -- not up, we went to Delaware to practice
 9 for the trial. We were there three days. And
 10 that question came up a couple times, but it came
 11 up very emphatic after Billy Carter said this is
 12 our problem, not -- not his problem with the
 13 Deirdre thing. And it was such a problem that we
 14 threatened to walk out of the meeting and just
 15 leave.

16 Q. But anyway, Raskin and Whitman assured
 17 you that if the ASA was valid and enforceable and
 18 Deirdre was going to get paid, it would come out
 19 of ChanBond's money, not yours, right?

20 A. That is correct.

21 Q. And did either of them ever tell you
 22 that they thought that if you didn't approve it,
 23 then it wasn't enforceable at all?

24 A. I don't recall if Mark ever said that.

1 Bob Whitman did.

2 Q. Right. Okay.

3 And, you know, based on what we have
 4 talked about and looking at that PPA, that
 5 that's -- that's not the fee agreement, right,
 6 ChanBond can do whatever it wants out of its share
 7 of the money. The only question is: Does it come
 8 out of gross or net, right?

9 A. Yeah. I mean, ChanBond could write an
 10 agreement fee note, them and anybody else they
 11 want to, as long as it's not coming out of my
 12 pocket.

13 Q. Right. Okay.

14 And then just looking back at the PPA
 15 for a second.

16 MR. COHEN: Let me just re-share
 17 it. And, Nathan, thank you for catching that. I
 18 misread that assignment provision, this is the
 19 problem with doing this stuff on the fly.

20 BY MR. COHEN:

21 Q. There was nothing in the assignment
 22 provision that gave CBV any right to say anything
 23 about a transfer from Deirdre to Unified, right?

24 A. We had no rights to make a transfer, but

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1 they were supposed to be notified in writing, but
2 they didn't do that.

3 Q. Okay.

4 And just to be clear, that meant you
5 didn't have a right under your PPA to insist that
6 IPNav and ChanBond stay affiliates for all time,
7 did you?

8 MR. COX: Objection to form.

9 THE WITNESS: I don't believe we
10 had that right under the PPA.

11 BY MR. COHEN:

12 Q. You knew that at any point after you
13 signed the PPA, Deirdre could sell off her
14 interests in ChanBond and then ChanBond and IPNav,
15 LLC wouldn't be affiliates anymore, right?

16 A. Yeah. She sold off her interest, I
17 would assume she would not be an affiliate.

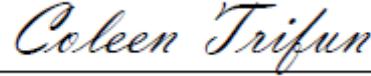
18 MR. COHEN: Okay. I got nothing
19 else.

20 MR. COX: All right. Thank you,
21 Earl. I appreciate your time.

22 VIDEOGRAPHER: This now concludes
23 the deposition of Earl Hennenhoefer. Going off
24 the record, 3:50 p.m.

1 C E R T I F I C A T I O N
2
34 I, COLEEN TRIFUN, RPR and Notary Public,
5 do hereby certify that the foregoing is a true and
6 accurate transcript of the stenographic notes
7 taken by me in the aforementioned matter.8 - - -
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21 DATE: October 1, 2021

22 COLEEN TRIFUN, RPR
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